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19 MARCH 1987

LATIN AMERICA REPORT

CONTENTS

INTER-AMERICAN AFFAIRS

Gorbachev's Visit To Strengthen Relations With Latin America (Augusto Varas; MENSAJE, No 356, Jan-Feb 87)	1
Azcona Called 'Tolerant' of Contra Presence (Maria Alicia Talavera; BARRICADA, 27 Jan 87)	5
Cuba-Nicaragua Mixed Commission Session (BARRICADA, 10 Jan 87)	7
COPPPAL Meeting: Chile, Paraguay 'Interfering' With Mail (EFE, 21 Feb 87)	9

BRAZIL

Roles, Interests of Lobbies in Constituent Assembly Surveyed (Carlos Newton; MANCHETE, 7 Feb 87)	10
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CHILE

Havana on Situation Facing Pinochet (Manolo Ortega; Havana International Service, 31 Jan 87) ..	17
Radio Havana Terms Economy 'Disaster' (Manolo Ortega; Havana International Service, 6 Feb 87) ..	19
Political Parties Law Seen Timely Tactic To Weaken Opposition (Alejandro Guillier; HOY, 12-18 Jan 87)	21
Opposition Foresees Increased Repression (AFP, 30 Jan 87)	26
Free Elections Movement Draws Strong Support (Maria Olivia Monckeberg, Maria Eugenia Camus; ANALISIS, 20-26 Jan 87)	27

Assessment, Perspectives of Transition to Democracy (Manuel Antonio Garreton M.; ANALISIS, 20-26 Jan 87)	38
Survey Reveals Slumdwellers Prefer Centrist Political Regime (Alejandro Guillier; HOY, 5-11 Jan 87)	50
Anibal Palma Calls for Mobilization To Achieve Unity (Monica Gonzalez; ANALISIS, 27 Jan-2 Feb 87)	56
Briefs	
Electoral Registry Stations Disclosed	63
Siguel, CNT Leaders Pardoned	63
Detainees Reportedly Whipped	64
New Carabineros Zone Created	64
Forestry Byproduct Exports	64
New Navy Commander	64
Japanese Donation	64

EL SALVADOR

Swedish Reporter Views Economy, Social Conditions (Leif Norrman; DAGENS NYHETER, various dates)	65
Earthquake Leaves Many Homeless	65
Union Power Increasing	67
Small Business Suffering	70

GUYANA

Wage Issues Embroil Workers, Government, Opposition (MIRROR, various dates; GUYANA CHRONICLE, 26 Jan 87)	73
Rejection of TUC Proposal	73
Shift in Government Position	74
GAWU Criticism	75
Hoyte Exhortation	76
Sugar Workers To Share in \$20-Million Before-Tax Profit (GUYANA CHRONICLE, 23 Jan 87)	77
Rice Producers Association Assailed by Government (GUYANA CHRONICLE, 16 Jan 87)	78
GUYSUCO Moves To Accelerate Diversification Program (SUNDAY CHRONICLE, various dates)	80
Special-Team Approach	80
Long-Range Plans	80
Investment Program	81

Hoyte Assigns Six Specific Tasks to PNC General Council (GUYANA CHRONICLE, 26 Jan 87)	82
Hoyte Tells Young Socialist Movement: Keep Party in Office (NEW NATION, 25 Jan 87)	84
New, Reassigned Permanent Secretary Postings Reported (NEW NATION, 4 Jan 87; GUYANA CHRONICLE, 23 Jan 87)	86
List of Assignments	86
Foreign Ministry Change	87
Briefs	
Debt to Barbados	88
PCD Call on Hoyte	88
WPA Queries on Agriculture	88
HONDURAS	
1987 Budget Deficit of 171.5 Million Lempiras Projected (LA TRIBUNA, 30 Oct 86)	90
CGT Congress Scores Government as 'Weak, Incompetent' (Rene Cantarero; LA TRIBUNA, 3 Nov 86)	91
JAMAICA	
Seaga Again Bars Early Election as PNP Vows Protests (THE DAILY GLEANER, various dates)	93
Manley Threat	93
PNP Impatience	95
PNP Disavowal of Violence	95
Seaga on Election Issue	96
'Historic' Accord To Promote Investment Signed With UK (THE DAILY GLEANER, 21 Jan 87)	97
PNP Sets Out Economic Views, Again Scores IMF Accord (THE DAILY GLEANER, various dates)	98
Problems for Farmers	98
Absence of National Plan	99
Economic Policy Statement	100
Bank Official Cites Steady Decline in Trade Deficit (THE SUNDAY GLEANER, 1 Feb 87)	102
\$51.6-Million IADB Loan To Be Used for Rural Projects (THE DAILY GLEANER, 29 Jan 87)	104
Briefs	
Foreign Budget Assistance	106

MEXICO

Opposition Explains Resistance to Electoral Code Changes (LA NACION, 15 Jan 87)	107
Theological Study Emphasizes Social Mission of Church (Maribel Gutierrez Moreno; UNOMASUNO, 2 Jan 87)	111
Briefs	
Comptroller General's Replacement Named	113

NICARAGUA

Sterner Measures Called for Against 'Profiteer' (EL NUEVO DIARIO, various dates)	114
Part of 'Psychological War'	114
'Administrative Corruption' Blamed	116
'Punishment' Demanded, by Sergio Martinez	118
MICOIN, MIDINRA Failing, by Manuel Eugarríos	119

PARAGUAY

U.S. Rejection of Stroessner's Government Viewed (Havana International Service, 15 Feb 87)	121
Industry, Commerce Minister on Integration, U.S. Envoy (Montevideo Radio Carve; 13 Feb 87)	123
Briefs	
Peasant Colony Under Siege	125

PERU

Saberbein Outlines 1987 Economic Policy (Gustavo Saberbein Interview; EL NACIONAL, 18 Jan 87)	126
Alva Castro Announces Creation of Foreign Debt Committee (EL NACIONAL, 20 Jan 87)	132
Inflation To Reach 120 Percent in 1987 (EL COMERCIO, 22 Jan 87)	135
Superior Court President on Role of Prison Officials (Lima Television Peruana, 13 Jan 87)	136
Briefs	
Trade With USSR	137
Gold Mining Intensified	137
4 New Fishing Contracts	138
Shortage of Basic Medicines	138

Explosion at Las Palmas Air Force Base	138
TRINIDAD AND TOBAGO	
Security Minister Promises Action To Improve Defense Force (DAILY EXPRESS, 13 Feb 87)	140
Appointments To State Enterprise Boards Announced (SUNDAY EXPRESS, 8 Feb 87)	141
Paper Finds Spate of Commissions of Inquiry Questionable (Editorial; DAILY EXPRESS, 5 Feb 87)	143
Chamber Urged To End Attacks on Public-Sector Unions (DAILY EXPRESS, 13 Feb 87)	144
Briefs	
Burroughs Resignation	145
Boat Fines to Venezuela	145
URUGUAY	
Foreign Minister Iglesias on Country's Regional Role (Enrique Iglesias Interview; 5-11 Jan 87)	146
PIT-CNT To Concentrate on Building Up Support (BUSQUEDA, 6 Feb 87)	150

/9987

GORBACHEV'S VISIT TO STRENGTHEN RELATIONS WITH LATIN AMERICA

Santiago MENSAJE in Spanish Jan-Feb 87 No 356 pp 36-38

[Article by Augusto Varas: "Gorbachev Visits Latin America"; first two paragraphs are introduction]

[Text] The Soviet Union's relations with Argentina could well represent the sort of relations that are developing between the Soviet State and Latin America in general.

The author, a FLACSO [Latin American School of Social Sciences] researcher, shows how trade is increasing and how the Soviet Union takes advantage of it to create crises in an area about which the United States is particularly sensitive. In light of the announcement that the Soviet leader will be visiting the region for the first time in coming months, he analyzes the commercial, political and strategic relations between Argentina and the USSR, referring in passing to other countries. This article is a summary of a longer work of his entitled "Latin America and the Soviet Union: the Political Dimension of Economic Cooperation," FLACSO, 1986.

The Reagan administration's decision to achieve military superiority over the Soviet Union (Footnote 1) (See, Anthony Lewis, "Political or Serious"?, THE NEW YORK TIMES, 20 October 1986, p 21) has placed the Soviet leadership in a tight spot just as sweeping changes are taking place in the country's economy and labor relations. As a result, Soviet policy towards Latin America has been to strengthen ties with those countries that can adopt a critical stance vis-a-vis Washington. The announced visit of the secretary general of the CPSU, Mikhail Gorbachev, to Argentina, Brazil, Peru and Mexico bears out our assertion.

Nonetheless, Latin America's new-found political importance to the USSR is matched by its declining economic and commercial importance, owing to the impact of the reorganization of production that the new Soviet administration has undertaken. The trend could already be seen in 1985, when we indicated that "economic reforms in the USSR should begin to affect the economic and social ties that have been established with Latin America." (Footnote 2) (Augusto Varas, "Latin America and the Soviet Union in 1985: the Search for a New Economic Relationship," in Heraldo Munoz (compiler), "America Latina y el Caribe: Politicas Exteriores para Sobrevivir," GEL, Buenos Aires, 1986,

p 519). Within the context of the interrupted disarmament efforts that began with the Geneva summit, this trend has intensified.

Argentina: A Model Case

Relations between the USSR and Argentina epitomize the state of ties between the Soviet State and the region. Alfonsin's visit to Moscow in mid-October 1986 shows the degree of attention and international pressure required to develop bilateral trade. To some Latin American countries the USSR is a key player in these times of economic crisis. These relations are particularly important in the context of heavy external indebtedness. Just as the USSR was crucial in 1985 to Peruvian industrialists, in 1986 it was of key importance to Argentina farmers. In exchange for continuing the trade relations agreed upon in 1985, it has secured political advantages without giving up too much in the commercial sphere.

By virtue of its economic ties with Argentina the USSR has been able to create crises in an area about which the United States is particularly sensitive, the South Atlantic. The response to the signing of the fishing agreements with Buenos Aires was Britain's declaration of an exclusive economic zone around the Malvinas; thus the Soviets and Bulgarians will have to confront the problems created by the British move. This trouble spot presents the Reagan administration with the dilemma of continuing to support London's stand on the Malvinas and, in so doing, indirectly accepting the exclusive economic zone that the United States has previously rejected; or else distancing itself from its main NATO ally. As far as American diplomacy is concerned, such tensions are of no help in managing an already unwieldy agenda of relations with Latin America, especially if we consider that the region was unanimous in its support for Argentina's grievance in connection with the Malvinas issue. For its part, the Casa Rosada's decision gives it a new card to play in dealing with a White House that had been wracked by the scandal of arms sales to Iran, with all of the repercussions on its policy towards Sandinist Nicaragua.

In the economic sphere, a Soviet trade delegation arrived in Buenos Aires in late January 1986 to talk about grain purchases. Three days later the Argentine foreign minister traveled to the USSR and signed the corresponding agreements. Nevertheless, by October 1986 the USSR had not yet fulfilled its commitments. The situation became critical for Argentina, and thus the administration decided that President Alfonsin should visit Moscow. There he would ask the USSR to purchase the amount of grain that it had failed to buy under the previously signed accord. According to the official communique, after the presidential visit the Soviet Union reaffirmed its intention to purchase grain. "The USSR had pledged to purchase 4.5 million tons of sorghum, corn and 450,000 tons of grain fodder over a 5-year period, but as of then, with 1986 in its 10th month, it had only taken somewhat less than 10 percent of those amounts." (Footnote 3) (CLARIN, 15 October 1986). Compliance with the agreement would mean sales equivalent to \$400 million for Argentina.

So, the only result of Caputo's visit, the Soviet delegation's trip and the lengthy efforts by trade delegations in Moscow, was the reaffirmation of the January 1986 accord and, in the best case scenario, advance orders on the 1987 corn crop. Nonetheless, Alfonsin did secure favored purchasing status from

the Soviets, which affords him some protection against dumping by the EEC. In addition, he secured an accord (which Brazil had gotten 2 years before) to set up a two-nation enterprise that would undertake projects "to install equipment" in Third World countries, especially in Africa, and it was said off the record that this enterprise could begin operations in Angola. Argentina's recent resumption of diplomatic relations with Cuba would facilitate such a move.

Even though Argentina had purchased half of the total amount agreed upon for the 5-year period under the existing pacts, the USSR insisted on balanced trade. Thus, an agreement was reached on the construction of a fertilizer plant, with a Soviet option to buy all of its output; on dredging the Bahia Blanca canal, which will cost \$130 million; and on the electrification of the San Martin railway, which would boost Argentina's purchases from and contracts with the USSR to \$250 million. Finally, the USSR offered to train a military pilot as an astronaut, which the Argentine Armed Forces welcomed.

As happened in Peru, the fishing pact between the USSR and Argentina triggered an internal crisis. On 13 October, the General Confederation of Labor (CGT) called a 14-hour general work stoppage to protest the signing. In addition, domestic vessels remained anchored in port to symbolize opposition to the pacts. The fishing companies were protesting that international permits were being granted while catch permits were being restricted for Argentines. They added that the pacts would push several species to the verge of extinction. The administration's response was that because the fishing zone approved for the Soviets was the Malvinas exclusion zone, domestic fishermen would not be hurt. The administration itself regarded the agreements as a major diplomatic success because they implied recognition of Argentine sovereignty over the islands that are currently under British control.

The Radical administration's assessment of its ties with the USSR was summarized in its future objectives. They are: 1) Find new items to trade, including Argentine manufactures; 2) Get the private sector to take on at least half of the trade, leaving the government to offset an imbalance; 3) Retain at least a 9 to 1 advantage in dollars for Buenos Aires; 4) Get the USSR to grant Argentina a trade status that is at least as advantageous as the status that it gives countries that are not its friends. (Footnote 5) (CLARIN, 17 October 1986). An analysis of these objectives shows how little progress has been made in these areas in recent years, as well as how limited the success of the presidential junket was.

Politics and Strategy

Alfonsin's talks with Gorbachev clearly revealed a hardening of Soviet policy, in contrast to the explicit stand taken towards the Venezuelan and Colombian Communist parties in previous years. Presumably a result of the chilling and straining of relations with the United States in the wake of the Reykjavik meeting, this development became clear during discussions of Soviet policy towards Latin American Communist parties, especially Argentina's, and during the talks on the political processes under way in other countries in the area, such as Chile.

Thanks to the resumption of relations with Cuba in January, the Casa Rosada had already gotten Fidel Castro to criticize the policy that the Argentine Communist Party is pursuing. Alfonsin attempted to secure the same sort of condemnation from Moscow, but the Soviet leader's response was different from the Cuban leader's. All the Argentine president got on that occasion was a Soviet commitment of absolute "guarantees" for the continuity of the democratic political process. (Footnote 6) (CLARIN, 16 October 1986) Gorbachev reportedly indicated, however, that neither he nor the USSR could support or oppose the position of a domestic political force in another country. In the face of this stand, the Argentine Government continued to give "notice" that the behavior of local Communists was creating uneasiness.

Alfonsin received the same sort of response to his concern over potential Soviet support for revolutionary groups in the region. He referred specifically to the report that the USSR was supporting the military activities that the Manuel Rodriguez Patriotic Front was engaged in. The answer that he got was a statement affirming "agreement on the need for any transition to democracy in Chile to be accomplished in the least traumatic manner possible." Yet Gorbachev received assurances that Argentina would oppose any formula that sought to exclude legitimate players from Argentina's domestic politics. (Footnote 7) (CLARIN, 17 October 1986)

The same sort of attitude, which is less in tune with U.S. policy in the region, was also to be seen in connection with Nicaragua. In this case, the USSR cautioned in mid-March that if the U.S. Congress approved aid for the Contras, it would send military reinforcements to the Sandinists. In mid-July Nicaragua received six MI-17 helicopters.

Similar developments were seen in Soviet-Bolivian relations. In February the USSR offered Bolivia \$220 million for agricultural programs, a clear-cut alternative to U.S. military action against drug trafficking.

In a mirror image of the U.S. policy of rollback, the Soviets are thus placing renewed emphasis on Latin America. In response to aid for "freedom fighters," the USSR is offering cooperation with the governments of those same countries. In any event, during his visit to Moscow Alfonsin received assurances that the USSR "has no plans to establish a military base in the region and does not want to impose any political system in Nicaragua."

To summarize, in the economic sphere, the USSR continues to represent a major, valid alternative market for Latin American products by offering innovative methods of payment (barter) and of operation (joint ventures). Politically, the Soviets will continue to support Latin American foreign policy to the extent that it enables them to increase their bargaining power vis-a-vis the United States.

8743

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INTER-AMERICAN AFFAIRS

AZCONA CALLED 'TOLERANT' OF CONTRA PRESENCE

Managua BARRICADA in Spanish 27 Jan 87 p 3

[Article by Maria Alicia Talavera]

[Text] Today marks the first anniversary in office of civil engineer Jose Azcona Hoyo, the president of Honduras. The record shows that in 1986 about 10,000 U.S. soldiers were present in Honduran territory; the foreign debt has already topped \$3 billion.

In his inaugural address, Azcona pledged that during his term as president, he would make Honduras a nation independent of Washington's policy, and in addition, he would help to improve its current grave economic situation.

However, a January 1987 study by the Honduran College of Economists reports that about 900,000 citizens are victims of either open or hidden unemployment (underemployment). This means the employment rate in this population of 2,200,000 people now stands at 41 percent.

Last week the General Workers Federation of Honduras suggested to the U.S. administration that up to 200,000 Honduran workers might be "placed in the United States in jobs tending livestock, cutting sugar cane, and in the service sector."

At the time the announcement was made, several U.S. Navy ships, the USS Iowa and USS Yorktown, were moored in Honduran Atlantic ports. The ships were visited by President Azcona himself and by the armed forces chief, Humberto Regalado.

The salaries of the "exported workers" would be between \$700 and \$750 a month, said the Social Christian workers union. But the method of payment is certainly interesting: 50 percent would be paid in the United States and the rest would be held in the Central Bank of Honduras so that the beneficiary designated by the account holder could collect it. It would be payable in lempiras (Honduran currency), as a means of getting foreign currency. In addition, "they are being offered" residence in the North American "paradise."

The Honduran progressive trade union organizations have described the Azcona administration as "weak and lacking the gift of leadership, paralyzed and incapable," with a total absence of any overall government plan.

Just 4 months after he took office, the very same president who proclaimed, "we are going to remember our national dignity and respect for sovereignty," visited Washington, and with the White House leader, supported a policy of aggression toward Nicaragua.

Political observers describe the current Honduran president as being more tolerant than his predecessor, Roberto Suazo Cordova, of the presence of contras, who are being armed, financed, and trained by the Reagan administration.

Last week Azcona said that the OAS should be the forum for seeking a negotiated settlement to the Central American conflict, in a clear rejection of the Latin American Contadora process.

Efrain Diaz Arrivillaga, a Christian Democrat deputy, has described Azcona's foreign policy as not responding to national interests, but rather to the strategic objectives of the United States in Central America.

Despite domestic criticisms about the proliferation of prostitution, bars, AIDS and venereal disease--caused by the presence of Yankee troops--Azcona recently repeated that he will continue his loyalty to the U.S. policy.

After the reaffirmation of this policy, the U.S. president reportedly gave him a Cadillac limousine, which nearly burnt up last weekend, because the Honduran president's aides had forgotten to put in water.

It was also recently reported that Honduran children are being "exported" so their organs can be sold. This charge was made by the former secretary of the JNBS [National Social Welfare Council], Leonardo Villeda, speaking on Radio America.

Azcona's wife, Miriam, chairperson of the JNBS, said she was "surprised" by Villeda's statements; he said that "many foreigners are coming to Honduras to adopt children with physical defects, and then they sell them for their parts."

Given this context, it has now been practically confirmed that Mr Azcona's commitments were really only words.

7679

CSO: 3248/187

INTER-AMERICAN AFFAIRS

CUBA-NICARAGUA MIXED COMMISSION SESSION

Managua BARRICADA in Spanish 10 Jan 87 p 4

[Statement released by the ministry of foreign cooperation, Managua, 8 Jan 87]

[Text] During these difficult times, when the U.S. government is openly flaunting its pro-war policy, increasing its aid to its mercenaries and re-kindling the aggression against Nicaragua, and when the Nicaraguan people are consolidating their revolutionary process with the promulgation of the first free and sovereign constitution and delivering sharp blows to the mercenary forces, the eighth session of the Nicaraguan-Cuban Mixed Commission met in Managua from 6 to 8 January 1987.

The delegations were led by Comandante Henry Ruiz Hernandez, a member of the national leadership of the FSIN [Sandinist National Liberation Front] and minister of foreign cooperation, for Nicaragua; and by Comrade Ernesto Melendez Bachs, minister-president of the State Committee for Economic Cooperation, on behalf of Cuba.

Both delegations agreed that the achievements of the Economic and Scientific-Technical Cooperation Program for 1986 were highly satisfactory.

Some important achievements of the Scientific-Technical Cooperation Program in 1986 were:

- a. In health care, approximately 340 Cubans helped to provide health services, conducting over 1 million health-related actions. These services included: 675,000 external consultations, 155,459 emergency treatments, 5,000 major surgeries, and attendance at 3,000 births.
- b. Cuban university professors continued teaching at the Universities of Managua and Leon. The Education Brigade taught and provided advice in various areas of primary and secondary education. One significant advance was the preparation of 29 Nicaraguan professors who will replace their Cuban counterparts.

- c. Assistance was provided with the second harvest at the "Victoria de Julio" sugar plantation. This involved the production of 591,900 quintals of sugar and 13,500 metric tons of molasses. In addition, significant assistance was provided with the rehabilitation and maintenance of the APP sugar mills.
- d. In the field of energy, Cuba provided assistance with the installation of new fuel storage tanks, and with the repair of units of the Managua Electricity Plant, and the start of repairs of units of the Central American and Nicaragua plants.
- e. The program of aid to Special Zone I continued: four shipments were made of food, medications and medical supplies, toys, clothing, shoes, and sports equipment, thus helping to resolve the supply problems this area faces.
- f. Training in Cuba was provided to over 1,000 Nicaraguans in a variety of economic, technical, and scientific fields.
- g. In addition, help and advice were also provided with the maintenance and rehabilitation of equipment in the construction, transportation, and mining sectors, in response to the U.S. trade embargo against Nicaragua.

For the Economic and Scientific-Technical Cooperation Program for 1986, Cuba has agreed to continue supporting our economy with over 700 actions directed toward 39 sectors, with special emphasis to be placed on health, education, agriculture, the sugar industry, energy, and the Special Zone I Basic Supplies Program.

During the past 7 years, the Economic and Scientific-Technical Cooperation Program with the fraternal republic of Cuba has helped to strengthen our national economy by aiding the Nicaraguan people in their struggle to win peace and in their resistance against the imperialist aggression by the United States.

7679

CSO: 3248/187

INTER-AMERICAN AFFAIRS

COPPPAL MEETING: CHILE, PARAGUAY 'INTERFERING' WITH MAIL

PY232154 Madrid EFE in Spanish 0051 GMT 21 Feb 87

[Text] Lima, 20 Feb (EFE)--Nils Castro, executive secretary of the Permanent Conference of Latin American Political Parties (COPPPAL), today accused the Chilean and Paraguayan governments of interfering with the correspondence sent to the political leaders of those countries.

Castro indicated that these governments adopted the measure to prevent political leaders from attending the 11th COPPPAL meeting which is being held in Lima with the participation of 30 Latin American political organizations.

Castro today said before the COPPPAL assembly that "it is the traditional practice of the Chilean and Paraguayan dictatorships to try to keep the main opposition leaders isolated and without connections abroad."

Castro added that he could not fail to report what happened because "some people are probably surprised why the Chilean and Paraguay political delegations are absent."

Castro asked that COPPPAL state its "surprise" at this practice and the condemnation of those governments "for their obstructionist measure."

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CSO: 3348/221

ROLES, INTERESTS OF LOBBIES IN CONSTITUENT ASSEMBLY SURVEYED

Rio de Janeiro MANCHETE in Portuguese 7 Feb 87 pp 20-23

[Article by Carlos Newton: 'Who's Afraid of the Lobby?']

[Text] Before we learn about who is afraid of the "lobby," we must first ask: Does anyone know what a "lobby" is? In Brazil, there is still great ignorance--and even apprehension--about the activity of the lobbyists in the National Congress. Now, however, with the convening of the National Constituent Assembly on 1 February, the time has come to examine, in a mature and unbiased way, the real significance of the pressure groups that act upon the government and the political class.

The Brazilian congressmen themselves show an incredible ignorance of the practice of lobbying. A survey conducted in the Congress, covering 58 deputies and 14 senators, found that none of them could explain what a lobbyist does. Some replied that it is nothing more than "a contemptible influence of foreign capital"; one of the congressmen declared that it is a "new cancer inflicted by the economic powers." That survey was published in the DIARIO DE CONGRESSO itself in the issue of 4 September 1985, that is, a little more than 1 year ago, and things have not changed much since then; the congressmen still look with suspicion on the activities of the lobbyists.

Throughout human history, however, there have always been pressure groups, created to defend their interest against the ruling powers. Today, lobbying is considered legal and legitimate and is even recognized as essential to the full realization of truly democratic regimes. The only thing new in this practice is the name. The English word "lobby" (anteroom, foyer, vestibule) came to have a new meaning in the United States when the farmers in the state of Virginia began to frequent the anteroom of the Parliament building, attempting to plead their cause with the politicians before the latter went on the floor to vote.

In Brazil, however, the word "lobby" has been erroneously used as a synonym for influence peddling and the defense of less than commendable interests. In fact, it is the exercise of a civil right, enabling groups, individuals and organizations to act on behalf of their interests, offering subsidiary [information] and clarifications to the legislators and to the government

itself. What is lacking is the regulation of the lobbyists' activity, to prevent excesses, particularly with regard to the so-called abuses of the economic power. It was to this end that, in March 1984, then Senator Marco Maciel presented Draft Bill No 25, the first real initiative to discipline the institution of the "lobby" in Brazil.

Paradoxically, the regulation of this activity will be the responsibility of the Constituent Assembly itself, whose members will be subjected to the strongest, best organized and active pressure groups ever formed in this country, seeking to turn their respective aspirations into law. On 1 February, during the ceremony to install the Constituent Assembly, the legislators will have a fine demonstration of what will be occurring throughout the coming months: unions, class groups and associations from all over the country are organizing marches to remind the politicians of their campaign promises.

There are all kinds of lobbies, beginning with the pressure groups formed within the government itself. With so many interests at stake, the president of the republic and the ministers must organize themselves to follow the labors of the Constituent Assembly at close hand, to predict and to detect trends among the legislators and to identify possible problems. The coordination of the government's lobby is the responsibility of Jose Henrique Hargreaves, assistant chief of the civil household for parliamentary affairs, who is considered an expert on congressional voting patterns.

"We are giving great care and attention to the Constituent. We have a year of hard work ahead of us and we must be well prepared," advised Minister Marco Maciel, in a meeting at the end of the year with all the government's principal parliamentary advisors, whose task is to look to the ministries' interests in the Congress.

Each sector is making its own assessment, through a census of the congressmen, identifying the ideological leanings and political behavior of each of them. According to the study conducted by the Ministry of Social Security, for example, the legislators may be classified in three broad groups: progressives, conservatives and liberals. At the moment of voting, however, depending on the topic, the liberals may vote conservatively, and so on.

The ideological distinction is tenuous and not very reliable. According to the advisors of Minister Raphael de Almedia Magalhaes, who are processing all the information on the computer, it is important that the government, with the possible assistance of the PDS [Social Democratic Party] and the PTB [Brazilian Labor Party], be able to ensure a majority of the congressmen. The big problem is to predict the behavior of the PMDB [Brazilian Democratic Movement Party], which brings together congressmen of various leanings, forming a real front. Depending on which topic is under discussion, dissident blocs may surface, complicating the situation.

Each ministry has already assigned dozens of advisors to work in the Congress, not only to obtain direct information as to how the discussions are going, but also to defend the government's interests among the congressmen. For example, the Finance Ministry has instructed each economic sector how to provide as much information and clarification as possible to the legislators. The

idea is to create a real data bank, from which any aid solicited can be supplied promptly.

The other government organs are also diligently mobilizing. The Agriculture Ministry already has 45 staff members assigned to lobbying work, while the Ministry of Industry and Commerce [MIC] has a team of 30 specialists to keep abreast of the proposals of the Constituent Assembly. A preliminary assessment by the MIC advisors indicates a predominance of the Center Left, with 60 per cent of the legislators demonstrating great concern for social problems.

For most of the public agencies, the Constituent Assembly is considered a challenge, but for the military ministries (Army, Navy, Aeronautics, EMGA [Armed Forces General Staff], Military Office and the SNI [National Intelligence Service]), the constitutional revision is even more important. In defense of their interests, they rely on a veritable battalion of advisors, working simultaneously on two fronts: the Congress and the government. The Armed Forces oppose the reduction of their responsibilities and seek to prevent passage of one of the most controversial proposals in the constitution drafted by Afonso Arinos' commission, which would make the military responsible only for the nation's external security. The Armed Forces also oppose the possibility of creating a defense ministry, which could be staffed by politicians, as occurs in many countries.

The National Intelligence Service is prepared to keep abreast of the activities of the Congress in a discreet way. The SNI seeks to make political use of the Constituent Assembly to reorganize itself, with the aim of improving its foreign operations. Minister Ivan de Souza Mendes suggests that the new constitution should make an exception, to permit telephone taps in cases of kidnaping, espionage, extortion, terrorism and drug trafficking. In political circles, it is thought that various responsibilities of the SNI today, such as uncovering corruption in government agencies, will pass to the federal and state police. Moreover, the Security and Intelligence divisions [DSI] of the ministries, which now directly monitor the activities of government agencies and their staffs, should be eliminated.

It is the businessmen who are the most experienced lobbyists, however, having achieved good results, even abroad, as in the incident of the hiring of former U.S. Ambassador Anthony Motley to lead the pressure group which overturned several customs barriers against our exports to the United States.

One of the best organized business lobbies is that of the Brazilian Confederation of Trade Associations, which represents 1,500 associations and 26 federations throughout Brazil, with more than 1 million affiliates. About a year ago, the Confederation leased a mansion in the Lago Sul (the wealthiest district in Brasilia) and established the House of Business. With the aid of a consulting team of jurists, sociologists, technicians and political analysts, a comparative study was drafted, using constitutional texts from other countries, to be widely disseminated in the Congress and distributed particularly to congressmen elected with the direct support of the businessmen. The lobbying strategy will be outlined in regular meetings of the Parliamentary Action Group, formed by representatives of all the business confederations in the country.

To unify the proposals presented to the Constituent Assembly by private enterprise, the Brazilian Confederation of Trade Associations is developing a "Freedom Always" campaign, calling for a draft bill which will limit the activities of the state, strictly controlling government expenditures and submitting the state companies to the oversight of the legislative branch, with annual approval of their budgets.

"We must show the real image of the businessman, who has been seen as a defender of specific and personal interests. We have to change our rhetoric, to show the importance of free enterprise as a generator of employment, of wealth," notes Amaury Temporal, president of the Confederation.

Another well organized business lobby is conducted by the controversial Ruralist Democratic Union [UDR], formed by the ranchers to defend their interests against the advocates of broad, general and unrestricted agrarian reform. With the proceeds from successive auctions of cattle and agricultural products, the UDR has already set up a large office in Brasilia and hired a team of lawyers and technicians who have entree to the INCRA [National Institute of Land Reform and Settlement]. They will work within the Constituent Assembly, assisted by a large number of advisors and economists who are specialists in agrarian policy.

"We are going to explain to the congressmen the difference between the rural producer and the land speculator," said UDR President Ronaldo Caiado, a member of one of the oldest political families in Goias. "We are seeking the support of other business sectors whose activities are also threatened, because what we have here is a movement against Brazilian private enterprise itself."

In the war of the lobbies, the businessmen will have to confront pressure groups set up by the labor leaders. The foundations are being laid by the Intersyndical Parliamentary Advisory Department, the only labor organ that is really expert at political lobbying. Created 3 years ago, with 270 union affiliates, the DIAP has a permanent team of 50 advisors working within the Congress, with a support group consisting of sociologists, economists, attorneys and technicians. The CUT [Sole Central Union of Workers] and the CGT [Union Headquarters] are also prepared to go one on one with the members of the Constituent Congress, seeking to influence their vote.

"We don't have the money to rent mansions or hire the number of advisors we need. Still, we are going to do everything in our power to see to the success of the proposals of the working classes. We are going to fight tooth and nail, sleeping in the gardens or in the halls of Congress, if necessary," announced metalworker Joaquim dos Santos Andrady, "Joaquinzao," president of the CGT.

Meanwhile, the Organization of Brazilian Attorneys [OAB] has moved its Federal Council to Brasilia, in order to follow the constituent Assembly debates more closely. Using computer links to all its regional sections, the OAB will act in the Congress through a team of six counselors and a technical corps of advisors from the OAB itself.

The Catholic Church has already set up its pressure group. Dom Ivo Lorscheiter, president of the CNBB [National Conference of Brazilian Bishops] reports that, at the request of the Brazilian episcopate, the CNBB has organized a team of 30 advisors. Working with the aid of a computer, they will keep abreast of the proceedings of the Constituent Assembly and will convey proposals of interest to the [Ecclesiastic Base] communities and the Church itself to the legislators.

"In a spirit of democracy and using democratic methods, we will follow the entire legislative process, suggesting, requesting, organizing the communities," Dom Ivo announced, adding that, "In their preoccupation with the new constitution and its moral roots and requirements, the Church and the CNBB are not exceeding the bounds of their duty, since ethics is a part of our mission."

The leaders of the women's movement are using the installation of the Constituent Assembly to launch a national campaign in defense of their interests. On the eve of the initiation of the parliamentary proceedings, all the large Brazilian cities will wake up with billboards bearing slogans: "Difference without Inequality" and "Viva a Diferencial." Simultaneously, the feminine lobby will begin to work with the congressmen. Each of the latter will receive a document listing the women's major demands. Among other things, they are asking that all clauses which foster discriminatory classifications be deleted; that any affront to the principle of equality be considered a criminal offense for which bail will not be granted; that international antidiscrimination treaties be unconditionally respected; and that, in the defense of the collective interest, the right of organized social movements and other civil entities to act be recognized.

"We want to fight for our specific demands, but we will also be attentive to the debates on the great problems of the country," declared sociologist Jacqueline Pitanguy, president of the National Council for Women's Rights. She added that full support will be given to the interests of women in the rural labor force and employed as domestics.

Many of the proposals of the women's leaders will be taken up by pressure groups formed by citizens' associations. Soon after the Constituent Assembly is installed, the 559 legislators will receive a document with 206 recommendations drafted by the Federation of Associations of Residents of Rio de Janeiro (FAMERJ), which comprises 630 district organizations.

"On 1 February, we will be in Brasilia to see that the politicians make good on their campaign promises," announced FAMERJ President Francisco Alencar, organizer and leader of the march of the representatives of the neighborhood associations.

As can be seen, it is a real festival of lobbies. Even the insignificant and clandestine "Brazilian Integralist Action" is drawing up a draft constitution to be forwarded to about 200 congressmen whom the nostalgic followers of Plinio Salgado consider "trustworthy." At the height of their radicalism, the integralists are increasingly rarified and no one pays any attention to them. Precisely the opposite occurs with another radical group, the self-

styled Unification Church. Created by the Korean Reverend Moon, this political-religious sect is spreading out through the country and already has branches in 15 states. It is known that about 100 candidates for election to the Constituent Congress were financed by the Moon sect, whose leader, Miguel Rocha, did not reveal how many of them were actually elected.

"In 2 years of labor, we have succeeded in winning about 60 percent of the congressmen whom we contacted over to our positions," Rocha said, weighting his estimate with a large dose of optimism.

One cannot take this type of lobby seriously, since it is doomed to failure. It is the national and foreign economic interests that are really concerning themselves with the Constituent. Any more abrupt changes in the rules of the game could be damaging to their activity or even cut it off. The private Brazilian bankers, for example, have already armed their lobby for the battle against nationalization of the sector, while the foreign banks are doing the same, seeking to avoid being nationalized, as proposed in the draft bill framed by the Constitutional Studies Commission chaired by Afonso Arinos.

The multinationals are also acting with all discretion to influence the legislators. About 3 months ago, President Jose Sarney granted an interview to a group of German newsmen and guaranteed that the laws which now regulate the activities of foreign companies would not be altered. In fact, this issue will have to be decided by the members of the Constituent Assembly, and the multinationals are on their guard.

"The decline of foreign investments in Brazil is a result of the unsettled politics in the country," explained Frank Devine, president of the Brazil-U.S. Chamber of Commerce. He pointed out that the North American businesses were waiting for the Constituent Assembly to establish the rules regarding foreign capital before they made decisions on new investments in the Brazilian market.

The debate regarding the multinationals is extremely important and sensitive. It comes precisely at a time when China and the Soviet Union itself are opening up to foreign investment. The Soviet Union has just agreed to the creation of joint ventures (companies formed with mixed capital) and the Brazilian Embassy in Moscow has already been approached regarding the possibility that our businessmen might participate in such ventures.

At the same time, the United States is beginning to take protectionist measures, to reduce its growing trade deficit. The White House does not accept the reserve market in the computer area and has already set the fatal deadline (30 June) for Brazil to change its policy with respect to computers. If things have not changed by then, the North American government threatens new economic retaliatory measures against Brazilian exports.

The matter is extremely controversial. A group of legislators, led by Deputy Marcos Lima (PMDB-Rio de Janeiro), is seeking to extend the market reserve to the strategic minerals sector, thus intensifying the debate, which is sustained by very well organized pressure groups.

Almost all the other areas of the national economy are forming their respective lobbies, particularly the highly profitable securities market, which took in 35 billion cruzados last year, and the financial sector. The Arinos Commission proposes that all these enterprises be nationalized.

Another sector in which a real battle of lobbies is being waged is maritime shipping, the second largest business in Latin America, exceeded only by petroleum, since this business amounts to \$4 billion a year in Brazil alone. Of this total, only \$800 million is generated by Brazilian ships, with over \$3 billion generated by foreign ships, directly or indirectly, through charters. There is also the problem of the so-called freight conference, which amounts to a kind of reserve market in the form of a registry.

Also in the economic area, one of the largest pressure groups is that of the Municipalist Front, comprising mayors from all over the country, who seek to use the Constituent Assembly to gain approval of the much dreamed-of tax reform.

The activity is intense. Even the federal censors are working on the congressmen. They have just created an association with the goal of maintaining the Censorship Division within the Federal Police, against the wishes of that organ's director himself, Corillano Fagundes. The censors want to take their scissors to the labors of the congressmen, to avoid losing some operational and financial advantages to which the function of police officer entitles them.

Sectors which have not yet organized to influence the Congress will have to resort to the various specialized lobbying firms that operate in Brazil. This year, one of these firms sent a group of employees to the United States, to intern with the principal firms in this branch.

Whatever comes of the labors of the Constituent Assembly, one thing is certain: the country will have to accept the existence of the pressure groups and see this activity as characteristic of democratic regimes.

In a climate of freedom, all citizens can and should fight openly in defense of their interests.

6362

CS0: 3342/72

HAVANA ON SITUATION FACING PINOCHET

PA010352 Havana International Service in Spanish 2300 GMT 31 Jan 87

["Our America" commentary read by Manolo Ortega]

[Text] General Augusto Pinochet is in his 14th year of dictatorship, but the road is not devoid of obstacles and difficulties. Although he formally received the unrestricted support of the Armed Forces, observers state that the support is not homogeneous, and although he continues to have the approval of the United States, once in a while the U.S. Administration sends its officials to Santiago to remind the dictator that his excesses could cost him his post.

Various U.S. envoys visited Chile last year. One of them, who traveled on a secret mission, was Assistant Defense Secretary Nestor Sanchez, who according to unofficial reports met with opposition leaders to learn what the real situation in the country is.

Sources close to the U.S. Administration stated that upon returning to the United States, Sanchez privately said that in his opinion, Pinochet's staying in power until 1989 is improbable.

All Chilean political parties, to a greater or lesser degree, criticize Pinochet's policy. The fear that partisan opposition might become a respectable force capable of dislodging him from the presidential seat recently prompted the dictator to approve the so-called organic constitutional law of political parties. Through it, an internal structure for all organizations, regardless of whether they are from the left, center, or right, was established.

Rene Abeliuk, president of the rightist Demcoratic Alliance, maintained that the law is totally antipartisan because it prevents the growth of organizations and the creation of new ones. Meanwhile, the Popular Democratic Movement described that law as a farce aimed at providing the dictatorship with a framework to make progress in its institutionalization plans and to reelect Pinochet.

The law, which will be promulgated in March, expressly bans parties from getting involved [intervenir] in labor organizations and forces them to reveal how they are being financed. Rejection has been unanimous, but Pinochet insists on eliminating the opposition's chances in possible future elections through this means.

Shortly before the end of 1986, Augusto Pinochet told EL MERCURIO: Those who criticize me and maintain that I am clinging to power are correct.

Meanwhile, Chile, with only 11 million inhabitants, is burdened by a \$23 billion debt; 30 percent of those inhabitants are unemployed.

Not long ago, the U.S. magazine FOREIGN AFFAIRS stated that besides his determination to stay in power, three factors maintain Pinochet in his post: the obedience of the Armed Forces; the support of businessmen; and the divisions that still exist within the opposition.

However, we cannot categorically affirm that the Armed Forces are completely obedient to Pinochet. In various mobilizations, the opposition has shown that it is not that divided. As for the businessmen, many are beginning to question the strength of the regime and are harboring doubts about its future.

What the U.S. magazine has not taken into consideration either is the powerful explosive potential represented by the poorest Chilean sectors who see their income decrease day by day. Their incomes are no longer meeting even their minimum needs. They are in fact determined to do anything to bring about a change.

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CSO: 3348/193

RADIO HAVANA TERMS ECONOMY 'DISASTER'

PA070449 Havana International Service in Spanish 2300 GMT 6 Feb 87

["Our America" commentary read by Manolo Ortega]

[Text] The dictator Augusto Pinochet must not only confront the joint action of the people; he has another serious threat that is rapidly corroding the base of his brutal power and is acting as a dangerous social time bomb: the economic disaster.

Our offices have the latest reports. The Chilean foreign debt amounted to \$19 billion in 1986, which represented an increase of \$34 million as compared to last year. This is important when considering that Pinochet, following the advice of U.S. officials, tried to pull a fast trick and sell his alleged liberal model as the most promising development program.

As the model was eventually denounced, the effects have been disastrous, and the country is in a deep crisis resulting from this staunch policy of privatization, which only benefits the oligarchs and foreign interests. Chile is the preferred target of the new system of the creditor banks, whose purpose is to make sure they collect a good part of the Third World foreign debt. The procedure calls for the banks to sell the debt to transnational enterprises that collect from the debtors in land, industries, hotels, and services. The weakest one is totally decapitalized. That is why in Chile, several U.S. consortiums own hotels, fish canneries, downtown shops, and other entities they exploit in their favor.

Pinochet categorically praises these steps. He has said that this is strengthening private property in Chile, as the means for promoting productive activities. Thanks to Pinochet, copper is no longer state property, and even land is sold wholesale to foreign interests. The attitude of the regime is directed against the distribution of land and the promotion of cooperatives that occurred during the administration of Popular Unity.

The manager of the Spanish real estate company (Prinsa), recently commented that he had been offered in Chile 8,000 square km of land for only \$50,000. This is a bargain, from a business perspective.

In order to prevent further protests of what he already has done, Pinochet is speaking of a people's capitalism, and he is promoting the sale of shares among the very scarce active labor force. The trap is very simple. Nobody with starvation wages, which is what most of the working mass is paid, can afford to purchase insecure shares.

The truth of Pinochet's economic policy is really beyond the icy message of his speeches. We must seek it in the slums, the soup kitchens where the people must go to eat, the tens of thousands of unemployed, and in the children who have no future.

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CSO: 3348/193

POLITICAL PARTIES LAW SEEN TIMELY TACTIC TO WEAKEN OPPOSITION

Santiago HOY in Spanish 12-18 Jan 87 pp 8-10

[Article by Alejandro Guillier: "Political Laws: Pinochet's New Tactic"]

[Text] As agreed, on 15 January the Government Junta will approve the draft Political Parties Law. After a review by the Constitutional Tribunal, Gen Augusto Pinochet will promulgate it on 11 March, and 3 days later it will take effect. According to the government's calculations, the "democratic" parties will immediately begin joining the regime's system of institutions.

The cards that General Pinochet has placed on the table indicate that military tactics, which he used in 1986, will give way to a more political approach, which in turn will open the door to the 1989 campaign.

To assure his success, Pinochet waited patiently for the opportune moment. His idea was to gain time and to weaken the opposition before undertaking any initiative. And the government's diagnosis is that the opposition is divided and, perhaps even better, disoriented.

He waited for this moment since May 1984.

At that time, during the official celebration of Labor Day at the Colbun Machicura hydroelectric complex, the chief of state announced that "in the coming months the draft law on political parties will be submitted to the legislature." He added that the drafts on the Electoral System and the Election Certification Board would be submitted in 1985.

Pinochet asserted that the laws "will make possible the thorough exercise of the political rights of the citizenry."

On the same day the National Command of Workers held a massive meeting in O'Higgins Park, where Rodolfo Seguel called for a protest "within 90 days." The government changed its plans.

On 29 May the country was notified of the about-face. Then Interior Minister Sergio Onofre Jarpa reported in La Moneda on several "pro-forma" changes in the political parties draft law. He mentioned that the requirement of 20,000 signatures, as the Council of State recommended, was being upped to 150,000.

He argued that 7.5 million people had the right to vote in Chile and that 150,000 signatures "represent barely 2 percent." He explained that the aim was to promote "large, stable political parties that are committed to the system."

When the draft was submitted to the legislature on 5 June 1984, the agreement was that it would be approved before 4 September. It was not kept. On the 6th of that month Adm Jose Toribio Merino stated that they had gotten "as far as an article on which there was a difference of opinion." He was clearly alluding to the signatures.

The draft was put on ice.

The Right Time

Just 28 months later, on 8 October 1986, General Pinochet suggested that the initiative would be revived. He ordered the new interior minister, Ricardo Garcia Rodriguez, to begin "talks" on the political laws with "democratic" sectors that respected the legal and institutional order and that rejected Marxism and violence.

This marked a tactical response to the Junta's desire to talk with opposition groups. The timing seemed right: the state of siege was in place, and five opposition media were shut down. Dozens of political leaders were behind bars or were targets of intimidation.

The talks were not wideranging. In fact, they were limited to circles that supported the government. Then, Garcia Rodriguez called in the eight deans of university Law Departments and asked them for their "technical" judgment of the draft.

What the minister was trying to do was legitimize the initiative. But he got more than he bargained for. He received no fewer than 25 reports with suggestions ranging from editorial changes in certain articles to criticisms that many provisions were unconstitutional.

The government was faced with a dilemma. Not considering these observations would mean that the draft and the institutionalization plans would lose all credibility. Making the suggested changes, however, would mean altering the fundamental aims of the draft law.

It decided to "spruce up" the draft.

Garcia drew up a synoptic chart that included the observations that he deemed most pertinent. He spent several sessions explaining them to the chief of state and on 30 December he delivered a copy of the draft to the president of the Junta, Admiral Merino.

The Junta's motivation in regard to the draft is simpler. It does not care about how perfect it is. It only wants to see the law enacted. Merino quickly hinted that the text would be approved.

Sign of Mistrust

We know that the new draft contains only some of the recommendations suggested by the college deans. The most significant ones are that the law takes effect immediately after its promulgation and that the required number of signatures has been reduced from 150,000 to 0.5 percent of the electorate. This is at least the case in eight regions of the country (for national parties) and in three contiguous regions (for regional parties).

Functional aspects have been improved. Affiliation signatures can be presented both to the Civil Registry official and to a notary. The Custodian of Parties has been abolished. Parties are not required to give an accounting of their income and expenditures by regions. Article 3 on ideological exclusions has been stricken, and Article 8 of the constitution automatically applies. Some 20 permanent and 3 temporary articles have, in fact, been eliminated.

The bans on party affiliation have been narrowed. Labor and trade union leaders, public servants and employees of the Judiciary are eligible to do so.

Is this enough?

A comparison of the new draft and the reports of the deans reveals that their fundamental suggestions for political party operations were not heeded. The parties are not recognized as having public law status. Their function is reduced to "exerting legitimate influence" on the running of government, with no acknowledgement that their mission is to mold opinion, channel citizen demands and participate in government.

They are still prohibited from "instructing or ordering" their legislators in their work, which in the judgment of jurists frees congressmen of their responsibility to their party and to their voters. Numerous provisions on internal organization have also been retained, thus rejecting the suggestion that only general principles be set forth in this regard.

The parties are not entitled to set up registration boards, thus impairing their function of monitoring the registration process, and there are still no provisions insuring equal access to the mass media.

Nor are restrictions imposed on private financing, which opens up the possibility that economic groups will control the parties. And government financial support is not considered.

The ideological proscriptions that the constitution provides have been retained. "Totalitarian" ideologies are banned, but nothing is said about authoritarian parties, which according to the comments of experts are as antidemocratic as the former.

In short, the underlying inadequacies raised by the university deans are still to be found in the new draft.

Looking Towards 1989

It was symbolic that the chief of state made the announcements about the end of the state of siege, the return of the exiles and the approval of the political parties law on the evening of 31 December. Pinochet refused to the end to undertake any initiative in 1986, which opposition sectors had described as a "decisive" year.

This did not go unnoticed among supporters of the government. The diagnosis is that no one can say that he made the announcements under pressure from the opposition, "inasmuch as after September the opposition became totally disoriented and incapable of applying pressure," it was said.

It also became clear that "the government has the political initiative," political leaders close to La Moneda stated.

There is another development. If the tactic in 1986 was to wear down the opposition and gain time by putting the political initiatives on ice, 1987 will be handled differently. The prevailing idea now is that disarray among the opposition must be taken advantage of to push forward with the institutionalization plans. And the political parties law will serve that purpose.

In the government's view, the enactment of the parties law this March will force them to adapt to the new regulations. This will mean concentrating their resources and energies on gathering the required 35,000 signatures to form a party, amending their bylaws to conform to the law and electing new officers.

Once the parties have been formed, those that survive will be faced with the logic of the election campaign with a view towards 1989. And the sector that backs the status quo is confident that in this battle General Pinochet has the strongest hand: the resources of government and the initiative.

The tactic has its weak points, though.

How can the scant 25 percent popular support that opinion polls give him be transformed into a winning 51 percent? The governing coalition is weaker today than in 1980, inasmuch as rightist sectors have parted company with the government and are going their own way. When Pinochet suggested that he wanted to govern for another 8 years in Santa Juana last July, major sectors that back the government did not take a stand, such as the UDI [Independent Democrat Union] and the National Labor Front. And the National Union questioned the partisan nature of the event on 9 September, which was called "The First Day of the Future." Nor is it clear that the Junta will approve his candidacy.

There is yet another variable. The success of the regime's tactic depends perhaps as it rarely has before on the support of opposition parties. In other words, they have to join the system of legally recognized parties.

If they refuse to, the success of this step will remain in question.

Restlessness on the Right

The uneasiness that the Political Parties Law has caused in certain sectors is already obvious. On Thursday the 8th the National Union called for the reunification of the Right. The idea is to form a single party with the UDI, the National Party and the National Labor Front.

The reunification must be based, it was said, on support for representative democracy as a form of government and for the social market economy.

The National Union also proposed the establishment of a board of directors elected by the rank and file, which presupposes that the current leaders will resign from their posts as their contribution to the effort at unity.

Although the National Union's proposal is not new, it made its challenge public for the first time through the press. Several weeks before, the National Party had sent a similar letter to the National Union, and Republicans, Liberals and Nationals formed a federation some time back.

This initiative shows that the Right feels the time has come to take a stand. Either they try to shatter the pattern of the three political thirds into which the country has traditionally been divided by establishing bridges to the Center, or they underscore their ambition to regroup and put forth their own independent bid for power.

The National Union's invitation does have its problems, though. When asked about the appeal, the president of the National Labor Front, Sergio Onofre Jarpa, demanded that as a gesture it withdraw from the National Accord. Meeting this demand would inevitably cost the National Union some credibility.

And this will not be the only difference of opinion that will have to be resolved.

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CSO: 3348/199

OPPOSITION FORESEES INCREASED REPRESSION

PY310130 Paris AFP in Spanish 0403 GMT 30 Jan 87

[Text] Buenos Aires, 29 Jan (AFP)--Chilean opposition leaders today reported in Buenos Aires that de facto Chilean President Augusto Pinochet will unleash increased repression and a wave of executions to prevent the visit of Pope John Paul II to Chile.

Miguel Perez Quintero, representative of the National Coordinating Board of Chilean Political Prisoners, stated that Pinochet wants to thwart the pope's visit in April, because this visit will spark a wave of massive demonstrations against the regime.

Quintero stated that Pinochet intends to execute political prisoners and to create a climate of increased repression to force the pope to abandon his trip.

He added that among those opposition leaders to be executed beginning in March are 10 individuals accused of planning the frustrated attack against Pinochet in September 1986.

Quintero, who traveled to Buenos Aires to seek the support of political, labor union, and human rights organizations, today met with Deputy Hugo Piuccil, of the ruling Radical Civic Union, who heads the Argentine Commission of Solidarity with Chile [Comision Argentina de Solidaridad con Chile--CASCHI].

The pope will make a 13-day tour through Uruguay, Chile, and Argentina in late March and early April.

This visit will serve as a corollary to the mediation of the pope in 1978, when at the last moment, he prevented a war between Argentina and Chile over border problems. This conflict was peacefully resolved in 1984.

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CSO: 3348/193

FREE ELECTIONS MOVEMENT DRAWS STRONG SUPPORT

Santiago ANALISIS in Spanish 20-26 Jan 87 pp 26-29

[Article by Maria Olivia Monckeberg and Maria Eugenia Camus: "What Chileans Think"]

[Text] Many things have shaken us during recent years; but seldom have we experienced an atmosphere of so much confusion, lack of credibility, and environmental pessimism as during the past few months. We confirmed that perception (which reaches us journalists directly every day) with greater intensity under martial law. This prompted us to attempt to learn what is happening to Chileans, and what their concerns and disappointments are, especially at the start of a new year. We attempted to find answers to questions such as: What is the degree of support for Pinochet? What is the support for democracy? What is the image of the Armed Forces? What is the view of the future?

Having found that it was no longer sufficient to hold interviews only with political and social leaders, we directed our steps toward the specialists attempting to take the pulse of public opinion scientifically; and we arrived in the territory of the polls.

After all that was researched, and taking the opinions of sociologists and social scientists into consideration, we decided to concentrate this article on two basic studies: on the one hand, an investigation conducted by the Center for Studies of Contemporary Reality, CERC, of the Academy of Christian Humanism, which, while taking an X-ray of Chile '86 during the last week of June and the first week of July, compared that reality with results collected from polls in a period of democracy. For this purpose, CERC resorted to work done by the Center for Public Opinion Studies, CEDOP, headed by Professor Mario Hamuy, before the 1973 coup. CERC followed CEDOP's traditional method, and undertook 889 interviews with men and women over age 18 from the various communities of Greater Santiago. The universe considered by the poll consisted of 1,230 cases, and the total rejections and losses amounted to 27.7 percent.

The second source consisted of a series of polls taken by the Diagnos firm, headed by sociologist Hugo Rivas, which they had been conducting since 1983. The most current was the one taken in early December, which affords a totally

up-to-date notion. The Diagnos poll also has Greater Santiago as a universe, and the samples amount to about 500 cases, "with a maximum error of 4.5 percent," as Rivas explained.

Based on their experience, people do not appear unwilling to be polled, or afraid; and the percentage of "don't know" or "no answer" responses is normal. Rivas adds: "It gives the impression that people like to express their opinion; that, in this way, they are exercising their right to express themselves and even to vote."

The topics covered are many, and include almost all the current concerns of Chileans.

Beyond the subjective feelings, the pessimism with which Chileans view the present and the future appears clearly in the public opinion polls. Moreover, a recent Gallup poll prepared for the newspaper DAILY TELEGRAPH ranks Chile among the six most pessimistic countries in the world.

A total of 36 percent of the Chileans polled declared that 1987 would be worse than 1986; a figure exceeded only by the South Africans (by the black majorities), Swedes, Australians, Greeks, and Turks. But all of them (except Turkey, which is tied with Chile) had a higher percentage of individuals who thought that 1987 would be better than last year. In the case of Chile, only 30 percent voiced that hope, while 26 percent thought that it would be the same.

By the end of June (before the arsenals episode, the attack on Pinochet, the martial law, and the assassination of four members of the opposition), the poll taken by CERC revealed the environmental pessimism. Sociologist Carlos Huneeus was in charge of the investigation which took the pulse on a broad, conclusive range of political, economic, and social issues. The results of his investigation are summarized in a document entitled "Changes in Public Opinion, an Approach to the Study of Chilean Political Culture."

According to this poll, only 4.2 percent think that the country's situation is good; 37.6 percent think that it is fair; 31.3 percent consider it bad; and 24.1 percent regard it as very bad. Most of those polled, 55.4 percent, deem it bad or very bad.

The CERC study notes that, when a comparison is made between polls taken under democracy and those taken under the dictatorship, one must take into account the different conditions under which public opinion is formed: In the first instance, the atmosphere was one of freedom of information, wherein the newspapers and television announced not only the government's views, but those of the opposition as well. Carlos Huneeus remarks: "In the case of present-day Chile, the ordinary citizen can only receive truthful and more extensive information through radio, weekly publications, conversations with family, friends, and fellow workers, or study, in order to form a political opinion." And he cites the possibility that there is a considerable bias in favor of the military government, whether from distortion of the news, fear, or the effect of both. Despite this, Pinochet, the government, and the Armed Forces appear to have meager support.

The Economic Problem

The polls show that the main concern of Chileans requiring an immediate solution is the economic problem. It is clearly demonstrated both in the CERC study and in one made by FLACSO in 1985, as well as in the constant samples taken by Diagnos. Nevertheless, the sociologists agree that this primary economic concern does not mean that there is a lack of interest in political, social, or value-related issues. In his study, Huneus notes: "The perception of the serious state of the country and the economy in particular constitutes a major basis for the desire of Chileans not to accept the current political regime. Giving priority to the economic area does not mean being indifferent to the political realm or holding a position in support of the regime. On the contrary, there is a desire to change the regime, which is responsible for it, and which has proven to be incapable of solving the country's leading problems."

Based on the closed question system (citing the possibilities), and the open question system (allowing the one polled to state what he wishes), CERC asked what the person considered to be the most important national problem. In both instances, the economic problems proved to be the most disturbing: 53.5 percent with closed questions, and 67.2 percent with open questions. Unemployment was cited as a number one problem by 36.1 percent in the closed question, and by 42.3 percent in the open one.

During December, Diagnos, in turn, devised a poll on the current economic situation, querying 470 persons polled: "What is the personal problem most besetting you at present, and what do you need to give it an immediate solution?" In response to this question (which, unlike the CERC question, is couched in personal and not national terms), first place was held by the answer: "earning a higher economic pay," with 32.2 percent. Second, with 28.3 percent, was "finding work." Ranking third, with 19.8 percent, was: "solving the housing, education, and health problems."

Present and Past

Chileans remember the past with longing, and think that the present situation is worse than the one 2 or 3 decades ago, based on comparative studies made of the polls.

With regard to the question of fulfilling needs, comparing 1986 with 1973 (see Chart No 1) made it possible for CERC to conclude that, 6 months before the coup, Chileans had a better personal situation than the present one. In 1973, there was a larger number of individuals with a very good personal situation and a lesser number with a bad or very bad situation. Huneus says: "The data show that Chileans are suffering more from the impact of the economic crisis now than in 1973. At present, less than half the individuals (compared with 1973) claim that the family economic situation has improved. There are considerably more who state that it has been maintained, and 50 percent say that it has become worse, more than at the end of democracy."

Someone might argue that all this pessimism precedes the current "boom" that the government has proclaimed. This does not appear to be so; at least one infers this from the recent Diagnos poll taken in December. In response to the question: "Do you think that your personal and family economic situation has worsened?" 39.9 percent replied that "it has worsened," 49.9 percent said that it remained the same, and only 9.8 percent admitted that it had improved.

The sociologists think that the interest evoked by economic problems and the high percentage of priority that they hold among the concerns of Chileans are based on a reality that must be taken into account in devising the alternatives that are being proposed by Chileans at present. It relates to the daily tensions that a family confronts, which must be resolved on an urgent basis. The economic problems unquestionably have a profound political dimension, and the parties will have to speak to the vast majority of people about these problems; because it is vital to the public to feel that their problems and the discourse proposing a return to democracy are closely associated.

Various sociologists have told ANALISIS that the public needs to know, for example, what the method is for tentatively solving the problems of university students who do not know what they will do with their degrees later. Or housewives need to know that there is an opportunity for sources of jobs that will enable them to improve the family income, or that they will have access to child day care centers, and will be able to develop as complete persons. "That is the real Chile shown by the polls," they claim.

Although the priority among the concerns for Chileans is a solution to the economic problems, the polls show that, along with this, they are convinced advocates of democracy, categorically rejecting authoritarianism. The results of the polls taken by CERC and Diagnos agree in this respect. According to CERC, 60 percent support democracy, and 6.3 percent favor authoritarianism; while 25.4 percent consider one type of government or the other the same.

It is interesting to note who comprise the sector of convinced democrats. According to the CERC study, the support for democracy is slightly greater among men (65.4 percent) than among women (57 percent); among those of intermediate age (31 to 45 years), it amounts to 67 percent; among the youth (18 to 20 years old), it is 50.5 percent; among those who have completed university studies, it is 81 percent; among those without schooling, 40 percent; among professionals and technicians, 81.6 percent; among managers, 78.3 percent; among merchants, 48.5 percent; and among workers, 51.3 percent. There is also a difference between Catholics (63.5 percent) and Protestants (42 percent).

Another enlightening feature of the CERC study is the view held by Chileans of the political parties and democracy. A comparison was made between the support that the latter have now, and what they had in 1973. The results show a decline in the degree of support, from 68.5 percent in 1973 to 60.3 percent in 1986.

Huneus notes that, nevertheless, the decline has increased the percentages of those who "don't know, or have no answer," and not of those who are opposed to the parties.

In response to the question, "What kind of political regime do you consider best for Chile: democracy, authoritarianism, or the continuity of the Pinochet government?", the answers are telling: 70 percent support democracy; 5.2 percent prefer an authoritarian regime; and 13.2 percent want the Pinochet government to continue.

The 'Sociological Pinochetism'

Who comprise this percentage which declared its backing for the continuation of Pinochetism in June? To what strata do they belong? What are their ages? The CERC study describes this segment as the "sociological Pinochetism," and, according to Huneeus, the polls show that the base of support for the captain general is "similar to that which has backed other types of authoritarianism." Paradoxically, the majority are not among the middle or upper strata, but rather in the poorest strata. Two thirds are women; followed by persons over 55 years old. According to sociologist Hugo Rivas, it is at this age that a psychological degree of "fear of change" occurs.

Huneeus, in turn, explains that this high percentage of women within the "psychological Pinochetism does not mean that women en masse want the continuity of Pinochet, but rather that three quarters of his base of support consists of women and that proportion is equivalent to 17.7 percent of all Chilean women." Huneeus remarks: "Furthermore, 65 percent want democracy."

In any event, what the polls prove is that the captain general's popularity has an obvious tendency toward declining more than toward rising. In a comparative study made between 1984 and 1986 by the sociologist Gustavo Jimenez, based on the Diagnos polls, 51.3 percent thought, in 1984, that Pinochet should resign, compared with 67.9 percent who made the same statement in 1986.

From a different angle, CERC made a study of the citizens' support for Pinochet in comparison with the two constitutional presidents who preceded him: Eduardo Frei and Salvador Allende. History leaves Pinochet in a poor position (see Chart No 2); people think that, in 1986, he received far less support than Chileans considered Frei to have received at the end of his term in 1970, and Allende a year before his overthrow.

Carlos Huneeus notes that this weakness of Pinochetism holds enormous political significance, "because it means that if the general wants to be reelected according to the procedure stipulated in the Constitution of 1980, he will have to make a drastic change in the breadth of his meager support from the citizens, and the political strategy relies heavily on economic improvement, based on the assumption that it will bring electoral benefits."

The Government That Is Desired

In its last poll during December, Diagnos queried the residents of Greater Santiago, asking: "What is the most suitable method for solving the country's main problems?" (see Chart No 3). Only 5.5 percent replied: "The government of the current president, Pinochet." It should be stressed that this is one

of the lowest percentages of the year, one which does not rise much either if one adds to it the item of the 2.2 percent who opted for a government headed only by military personnel. Not even when there is added to it the 5.8 percent of those who approved a government of the right does the percentage meet the government backers' expectations.

On the contrary, when confronted with the same question, the opposition formulas are accepted by a majority. The first option for those polled is: "a government headed by the entire united opposition" (see chart), with 29 percent in December, the highest percentage of the year, and since Diagnos has been working, starting in 1983. Ranking second is "a government headed by the Democratic Alliance," which received 23.6 percent support; one headed by the Popular Democratic Movement (MDP), with 8.3 percent; and, finally, one headed by the Socialist Bloc, with 4.6 percent. If they are combined, the opposition formulas exceed 65 percent and, among them, the aspiration most sensed is for a united opposition. In the view of some sociologists, this confirms another trait of Chileans, their tendency toward unity.

While there is agreement regarding methods for solution, the polls until December reflect a well-known reality: the lack of a leader, not only for the opposition, but also for the country. The assertion that "there is no leader" totaled 57.5 percent in December.

The Heated Issues

The last months of 1986 brought up for discussion major issues directly related to the country's future. And the public expressed its views without reservations. One of the constant questions (posed in the Diagnos polls) brought disturbing results associated with the increasing deterioration of the image that Chileans have of the Armed Forces (see Chart No 4).

In December, 61 percent thought that their image was bad, compared with 9.1 percent who claimed that they had a good image. From the standpoint of social stratum, it is the intermediate socioeconomic groups (66.1 percent) who have the worst opinion; among the upper class sectors, 50.9 percent have the same opinion; while among the lower-class sectors, 59.7 percent agree with this response. The youth (between 18 and 28 years of age) have a more negative opinion than the older ones.

It is possible that this deterioration is associated with events that had a deep impact on public opinion, in which Armed Forces personnel were involved. In 1985, the case of the professionals who were ousted was the event with the greatest impact, according to Diagnos. And in 1986, the Cooperative Radio Computer Opinion Flash poll, also taken by Diagnos, showed the case of the burned youths to be the event with the greatest impact (43.7 percent). The attack on Pinochet and his entourage occupied second place, with 19.5 percent.

Also during December, Diagnos took the pulse of the public on other heated issues. For example, those polled confirmed their repudiation for exile.

In response to the question, offering optional statements, about putting an end to this penalty before the pope's visit, 18.6 percent noted that this would be "a proper sign of cooperation and respect for the pope," while 52.5 percent were more categorical: "The penalty of exile should not exist for any reason."

The negotiations with the commanders in chief of the Armed Forces and the Free Elections Movement (see Charts Nos 5 and 6) were also subjected to the opinion of those polled by Diagnos.

A total of 48.9 percent expressed approval for, "the possibility of starting a dialogue to reach agreement on a method for a political solution," and 33.5 percent "approved greatly." At first glance, these high percentages might appear to contradict the ones indicating the bad image of the Armed Forces. Nevertheless, the sociologists think that this is not accidental nor a post-martial law sentiment either, but rather an alternative that has been proposed as possible for resolving the crisis.

Gustavo Jimenez recalls that, as early as 1985, the claim that "the government will at some time have to hold dialogue with the opposition to seek definitive solutions" received the support of 80 percent. The difference is that, now, this same percentage has expressed approval for a dialogue, but with the chiefs of the Armed Forces.

With regard to the issue of free elections, during the first week of December Diagnos asked 470 persons polled in Greater Santiago: "For some time, opposition leaders have been citing the need to create a national movement on behalf of free elections for the country's authorities. How much approval do you have for the creation of that movement?"

In the view of the sociologists, the response is telling: 44.9 percent approved greatly, and 40.7 percent approved. In other words, 85.6 percent support the notion and the rejection amounts to 10 percent. The tendency is strongest among the intermediate sectors, among whom the idea is supported by 89.4 percent, and among the upper class sectors, the disapproval is greater than the average.

What is the explanation for this high percentage, which even exceeds that on the support for democracy? On the one hand, it might be due to the electoralist tradition of Chileans. Jimenez remarks: "Free elections is a slogan which caught on, because it is in the very character of Chileans." But there are opinions claiming that, in view of the current state of pessimism, it is an offer of an alternative that would make it possible to emerge from this.

Nevertheless, there is agreement that those who propose this alternative should not feel victorious upon learning of this high percentage of support for that notion; but rather it would appear necessary to intensify the concern for lending substance to the slogan (which is the one accepted up until now) and for implementing the proposal. The sociologists stress that the results of the

polls are an indication that helps the politicians with the challenges that they must take on; because, if the ideas so largely supported are also thwarted, the country will unquestionably win the rating of pessimism that is currently being contested.

Chart 1. Income and Needs

Comparison between 1973 and 1986 of the degree of fulfillment of needs according to the income earned by the interviewee and his family (in percentages)

Question: Does the salary or wage that you earn and the total family income enable you to meet your needs satisfactorily? In which of these situations are you?

	1973	1986	Difference
1. It is quite enough for them; they can save (very good)	15.7	8.3	-7.4
2. It is just enough for them; no major difficulties (good)	52.7	40.6	-12.1
3. It is not enough for them; they have difficulties (fair)	26.4	35.7	+9.3
4. It is not enough for them; they suffer want (bad)	4.1	12.7	+8.6
5. Don't know	1.0	2.4	+1.3
Lacking data	-	0.3	-

Source: CERC

Chart 2. Frei Allende, and Pinochet

Citizens' support for Presidents Frei, Allende, and Pinochet (in percentages)

Question: What degree of support do you think the people give to the president?

	Frei (1970)	Allende (1972)	Pinochet (1986)
1. The vast majority support him	7.3	10.9	2.6
2. The majority support him	46.7	44.9	26.6
3. A minority supports him	-	-	38.0
4. Few people support him	39.9	38.4	26.1
5. Other responses	-	3.3	-
6. Don't know	6.1	2.5	7.7

Source: CERC. Data from CER (1986) and CEDOP (1970 and 1972) polls

Chart 3. Government Formula

Question: Of the following government formulas, which do you think would be the most suitable for solving the main problems that the country is experiencing?
(Indicate only the number of your answer.)

Most Suitable Government Formula for Solving the Country's Main Problems

	Socioeconomic Group				Sex		Age			
	Tech/ Prof	Upper	Middle	Lower	Male	Female	18-28	29-39	40-50	51+
1. Option 1	5.5	12.6	5.6	3.4	5.0	6.0	4.3	9.1	4.0	5.0
2. Option 2	2.2	1.7	3.0	1.5	3.4	1.0	2.7	3.0	1.2	1.1
3. Option 3	5.8	15.6	4.1	4.5	6.1	5.5	6.5	6.5	4.9	4.8
4. Option 4	23.6	16.0	25.0	24.5	24.5	22.7	25.3	20.3	31.7	18.7
5. Option 5	4.6	1.1	3.4	6.6	4.9	4.5	2.7	4.4	4.9	7.6
6. Option 6	8.3	3.9	10.0	8.3	7.8	8.8	6.4	11.0	8.3	9.0
7. Option 7	29.2	21.7	25.7	34.0	29.2	29.1	34.2	23.5	25.7	29.0
8. Option 8	7.1	13.8	7.5	5.0	9.5	4.9	6.9	5.9	9.3	7.1
9. Option 9	8.8	6.1	10.5	8.1	4.5	13.0	8.8	8.5	3.5	12.5
10. Option 10	4.0	6.5	4.0	3.2	4.3	3.7	1.3	6.9	5.5	4.3
	100.0	13.0	40.0	47.0	49.0	51.0	36.9	22.3	15.7	25.1
	470	142	159	169	233	237	136	114	107	113

The categories on this chart are:

1. The current government of President Pinochet
2. A government comprised only of military personnel
3. A government headed by the right
4. A government headed by the Democratic Alliance (AD)
5. A government headed by the Socialist Bloc (BS)
6. A government headed by the Popular Democratic Movement (MDP)
7. A government of the entire united opposition (AD, MDP, BS)
8. Another formula
9. Don't know
- 10; No answer

Source: Diagnos, Vision Diagnos Poll/December '86

Chart 4. Image of the Armed Forces

1986	April	June	August	October	December
Good image	10.1	9.6	8.6	12.8	9.1
Neither good nor bad image	32.4	26.3	32.7	32.4	27.2
Bad image	52.5	58.5	50.9	50.5	61.0
Don't know	3.0	4.9	5.3	3.0	1.0
No answer	1.5	0.3	2.2	0.8	1.0

The question was: "There has been much discussion of the image that the Armed Forces have among the country's civilian population. What kind of image do you think this is? (Tell me only the number of your answer.)"

Source: Comparison Report and summary of public opinion polls of the sociologist Gustavo Jimenez, based on the polls taken by Diagnos

Chart 5. Dialogue With Commanders in Chief

Question: Opposition sectors have cited the need to start a dialogue with the commanders in chief of the Armed Forces to reach agreement on a formula for a political solution. How much do you approve of holding this dialogue? (Indicate only the number of your answer.)

Approval for Holding a Dialogue Between the Opposition and the Armed Forces Commanders in Chief

	Socioeconomic Group				Sex		Age			
	Tech/	Upper	Middle	Lower	Male	Female	18-28	29-39	40-50	50+
	Prof									
1. Approve greatly	33.5	37.2	37.9	28.8	37.2	30.1	35.0	34.0	35.5	29.7
2. Approve	48.9	39.7	50.0	50.4	45.5	52.2	49.2	55.0	41.7	47.5
3. Disapprove	11.6	14.5	6.5	15.1	11.3	11.8	11.6	4.9	13.8	16.1
4. Disapprove greatly	2.0	4.5	2.0	1.2	2.2	1.7	2.0	1.8	0.8	2.9
5. Don't know	2.4	2.2	1.6	3.2	1.5	3.2	0.0	3.7	5.8	2.7
6. No answer	1.1	1.5	1.5	0.6	1.7	0.4	1.6	0.0	1.8	0.6
	99.6	13.0	39.8	46.7	48.7	50.8	36.9	22.0	15.5	25.0
	470	142	159	169	233	237	136	114	101	113

Source: Diagnos, Vision Diagnos Poll, December 1986

Chart 6. Free Elections

Question: For some time, opposition leaders have been citing the need to create a national movement on behalf of holding free elections for the country's authorities. How much do you approve of the formation of this movement? (Indicate only the number of your answer.)

Approval for the Formation of a National Movement on Behalf of Holding Free Elections

	Socioeconomic Group				Sex		Age			
	Tech/ Prof	Upper	Middle	Lower	Male	Female	18-28	29-39	40-50	51+
1. Approve greatly	44.9	43.2	50.0	40.9	45.9	43.9	45.5	50.2	42.5	40.5
2. Approve	40.7	34.2	39.4	43.7	41.4	40.0	42.2	35.0	40.5	43.7
3. Disapprove	9.6	14.3	6.6	10.8	8.8	10.1	9.5	9.1	7.6	11.3
4. Disapprove greatly	0.4	1.8	0.3	0.0	0.4	0.3	0.2	0.4	1.1	0.0
5. Don't know	2.5	2.2	2.9	2.2	1.7	3.4	0.8	1.7	6.8	3.2
6. No answer	1.5	3.5	0.3	2.0	1.3	1.7	1.3	2.9	0.8	1.0
	110.0	13.0	40.0	46.9	49.0	51.0	36.9	22.3	15.7	25.0
	470	142	159	169	233	237	136	114	107	113

Source: Vision Diagnos II 6/December 1986

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ASSESSMENT, PERSPECTIVES OF TRANSITION TO DEMOCRACY

Santiago ANALISIS in Spanish 20-26 Jan 87 pp 34-37

[Article by Manuel Antonio Garreton M.: "Assessment and Perspectives of the Transition to Democracy in Chile"]

[Text] Many people announced that 1986 would be the "decisive year." Their announcement embodied a combination of analysis, desire, need and hope. It was clear to all of them that what they meant was the end of the military regime and the real beginning of a democratic transition. It is not up to us to inquire what suppositions and diagnoses lay behind their announcement nor how right or wrong they were. The paradox, as 1986 drew to a close, is that it was indeed a decisive year, but in a sense completely opposite to what they had announced and hoped. If we had to summarize the year in a few words, we would have to say that 1986 shattered the myths about the democratic transition and the change of regime and clarified what sort of transition is possible in Chile, with only its timetable and specific arrangements remaining to be resolved. The political players involved do not readily acknowledge these facts. Some are even reluctant to do so, owing not only to the prevailing philosophies and discourses and the collective sensibilities at stake but also to the contradictory and emotional nature of the developments that took place in 1986. Once again the country seemed to reach the verge of disintegration as a national community, and thus its recovery will be slower and more difficult.

Until a short while ago some people were still uncertain about what the end of the military regime and the transition to democracy would or could be like. The point is not that everything is now clear to everyone. There are without doubt opposing views and blueprints and, above all, ambiguities and uncertainties. The events of 1986, however, showed how things will most likely develop, and in politics, based on the overall vision of what one wants, one must transform a workable hypothesis into an effective commitment to action, without concessions to what one would have preferred in the abstract. The opposition's entire problem concerning the end of the military regime consists of how hard it is, because of myth and ideology, to transform the hypothesis of a probable end to the dictatorship into a strategic proposal for realizing such a hypothesis.

In this regard, 1986 was instructive. On the one hand, it showed that a thoroughgoing continuation of the regime, in other words, the complete and permanent application of the arrangement set forth in the 1980 Constitution, is highly unlikely after 1989, although it is possible until then, as we will discuss later. The ability of vast sectors of the Chilean people to mobilize and organize, their demand for real participation, international pressure, the Church's critical and ethical stand, etc make a "restricted" or an "authoritarian" democracy unthinkable. With or without plebiscites in 1989, the institutional arrangement that the 1980 Constitution provides for the future is going to be superseded (we need only imagine elections in which the opposition decides not to run or a Congress dominated by the opposition vis-a-vis Pinochet's autocracy). In other words, it became obvious in 1986 that although the military regime may be around until 1989, it will not be able to remain in place beyond that date unless it violates its own institutional arrangement in a sort of palace coup. We will return to this question later.

On the other hand, 1986 also pointed up the inviability of strategies for a military or insurrectional transition that seek the collapse or the military defeat of the regime, but also of political strategies that sought to topple it by making the country "ungovernable" without bothering to fill the institutional vacuum. The strategy of making the country ungovernable without providing an institutional alternative, which is ultimately another method of seeking the regime's military defeat or collapse, could lead to a bunker mentality within and the continuation of the regime instead of its end. In this regard, when social mobilizations are linked to a consensus proposal for institutional change within the opposition at large, without exclusions that further another type of strategy, they can be very important in reestablishing social organizations, in affirming collective identities and even in transforming the military regime, but they are not enough to bring about its end and, what is more, they can be reversed by institutional and physical repression.

The authoritarian regime cannot continue, nor will it collapse or be overthrown. This means that the transition to democracy in Chile will inevitably depend on a change in the institutional framework that was imposed in 1980. In other words, there will be no transition to democracy with institutional continuity, but there will be none either with an institutional vacuum. Thus, we must rethink the idea of a military defeat of the regime, in this case, of the people who hold power. The sole political defeat is a negotiated change in the 1980 institutional framework. This is the political defeat of the regime that the opposition ought to aspire to, as it is tantamount to setting a real transition in motion.

The Components of a Possible Transition

1986 was decisive in that we, the regime and the opposition, learned that a transition to democracy in Chile will be an original process that will unavoidably combine the classic components of all transitions in which there is neither a collapse, nor a defeat nor an institutional vacuum but in which institutional continuity is not possible either.

The first component is the erosion of support for the regime, thus isolating the power core, which in Chile's case consists of Pinochet and the Armed Forces. This has been a slow and uneven process. In 1986, what we can call the capitalist class, which has been regrouping since the crisis in the economic model in the early 1980's, showed that it was satisfied with the regime and remained mistrustful of political change. Its concerns are not along those lines, and human rights and Chile's democratic future did not trouble it. It explicitly or tacitly supports the regime. The situation on the political Right is more complicated. As we have suggested on other occasions, there is a growing rift between those who aspire to be the regime's heirs and those who would like to be an integral part of the democratic camp to negotiate from a position of greater strength vis-a-vis the opposition and to make sure that the largest leftwing groups are excluded. From the perspective of our analysis, the result of all this is that although there are very important democratic sectors on the Right, there is still no democratic alternative on the social and political Right, which is indispensable for this type of transition.

Indeed, after the nationwide work stoppage called by the Civic Assembly in July, Pinochet tried to compel the Armed Forces to decide whether to support him beyond 1989 (the Santa Juana speech). The Armed Forces' indirect response (it could not be otherwise) was clear: until 1989 Pinochet enjoys their unqualified support, because the constitution so provides; what happens in 1989 is a problem involving a political choice, and the Armed Forces have not yet made the only political decision that they will be able to make since the one-man military regime was installed. We can draw three conclusions from all this. In the first place, it is highly unlikely that there will be a split between Pinochet and the Armed Forces before 1989, because it would mean that the Armed Forces would renounce the institutional political status that they have accorded themselves, thus running the risk of a rift within the military over the issue of a few months time. In other words, only if Pinochet were to give indications that now or in 1989 he is going to ignore his own constitution to assure his permanence in power (the hypothesis of the palace coup), could the Armed Forces split with him. Second (another opposition myth is hereby destroyed), if there are thoughts of holding negotiations before 1989, they will necessarily have to include Pinochet; the idea of holding them with the Armed Forces against Pinochet is wishful thinking. Third, there is political uncertainty in the Armed Forces about 1989. We can see this from the fact that after the attack on Pinochet, the military gave him only the state of siege that he had been calling for from the beginning of the year, not the promise of support beyond 1989. This implies that one of the elements of the opposition strategy should be to make sure that there is a consensus that the regime will not continue after that date and to increase the price that the Armed Forces would have to pay if they sought to enable it to. We must not forget that this is one of the very few times in history that a one-man dictatorship has set a time limit for itself and that if this works to its favor until that deadline, it can backfire afterwards. The sooner such a consensus develops and the more explicit it is, the better the odds of hastening the regime's end before 1989.

Limits of the Social Mobilization

The second component involved in ending the dictatorship and undertaking a transition to democracy is mobilization and pressure from society, from the social and political opposition. As history demonstrates, such a transition cannot exist without a strong and wideranging social mobilization. But it is indissolubly linked to the other components, nor can it be just any sort of social mobilization. From this perspective we can try to assess the mobilization of the Chilean opposition against the military regime.

In order for social mobilizations to effectively bring about or reinforce the end of a military regime and a democratic transition, they must meet a series of requirements in terms of appeal and breadth. Above all, however, they must be part of a blueprint or proposal for the transition. In other words, they must be part of a political strategy that is coordinated with the other components of the transition and, especially if there is no chance for an overthrow, with a negotiated settlement. In this regard, although the social mobilization and pressure in Chile have been significant and important both in expressing massive opposition and a strong desire for change, in reorganizing society and social movements and, above all, in wringing concessions, maneuvering room and even changes from the regime, they have been altogether inadequate from the standpoint of ending the regime and starting a transition to democracy. Both the lengthy wave of protest that eventually wore thin, even though it awakened and reorganized society, and the 1986 mobilizations suffered from the same flaw: they were not part of a consistent and unified blueprint and proposal for change and transition among the political forces that were guiding them. When something like this happens, it is inevitable that the regime will adopt a bunker mentality, reorganize and take a harder line and that the mobilization movement will die out. The establishment of the Civic Assembly in 1986 was obviously a major step forward in the attempt to unite "social and political forces" against the regime and to extend the appeal for mobilization to organized middle-class and lower-income segments. It is also clear, however, that they were an attempt to solve a problem that had not been resolved in the political organizations, which were hampered by vague political agendas, exclusions and vetoes. Partisan political problems were reflected in the Assembly, which prevented it from having the autonomy it needed; at the same time, because it is a federation of social organizations, it could not spell out the blueprint or political strategy that the political party opposition at large lacked. We must not, of course, forget the extremely harsh crackdown against all of its leaders. Furthermore, the work stoppage that the Civic Assembly called, which was undoubtedly the high point of the mobilization in 1986, suffered from the same problems. From the standpoint of its appeal, discipline and organization and as a massive rejection of the regime, it was unquestionably a success. It is also true, however, that tragically its greatest political impact lay in the violent repression that it triggered, the main examples of which were the slaying of one victim and the burning of another. In other words, the work stoppage was necessary and significant, but it was not clear what sort of a blueprint for a transition it was part of. Was it an attempt to repeat the wave of protest at another level? Was the idea that a series of work stoppages would automatically pave the way for the regime's collapse? Around what specific proposal were people to be permanently mobilized?

Since the social mobilization lacked unified political proposals for a transition that were more than generic expressions of discontent and desires for change, the various forms that it took on, mirroring different sensitivities, interests and perceptions of what is possible, tended to work at cross purposes and appear contradictory. Grievance mobilizations tended to become divorced from political mobilizations because the latter are not seen as useful in meeting demands. The more political mobilizations tend to boil down to militant cores and become increasingly symbolic. The more "heroic" mobilizations, which are linked to agitation demonstrations such as street battles or more violent methods such as barricades, not only revive the regime's capacity for repression but also steadily isolate the radicalized sectors that are behind them. In the extreme case of an armed or military mobilization, which has nothing to do with a political strategy though it is portrayed as part of all forms of struggle, the result is even worse: it winds up provoking the regime into resorting to the worst forms of repression and closing off political spaces, which in turn causes the opposition to retreat and immobilizes it. This is what happened when the arsenals were found and an attempt was made on Pinochet's life, with the resulting declaration of the state of siege.

To put it another way, any social mobilization that is not guided by a single blueprint and political proposal among the opposition at large, without exclusions, may bring together groups and post accomplishments and gains, but it will be useless in bringing about the end of the regime and starting a democratic transition and, most likely, it will eventually see its rallying power exhausted and be at the mercy of the regime's institutional and physical repression.

This means that far from regarding the social mobilization as over, we must revamp it and restore it to its role as one of the fundamental components of a transition.

Furthermore, above and beyond the strictly political mobilization that we have analyzed, we should also stress that the grievance movements that have focused on sector gains and everyday interests and problems have been extremely weak, with the exception of the student movement, which has achieved important results in spite of the decline in agitation. Except under very specific circumstances, it is very difficult to sustain a political mobilization unless grievance struggles linked to bettering living conditions are waged in society. Perhaps the big mistake of the Civic Assembly's appeal, more specifically the mobilization around Chile Demands, was having confused the two types of mobilizations and subordinated one to the other. Expressive mobilization, grievance mobilization and political mobilization are three indispensable but different varieties, and we must not think that the sum total of sector demands is synonymous with a grievance mobilization or that an overarching rallying cry without a blueprint for change is the same as a political mobilization.

The Nonexistent Negotiation

But neither the regime's internal decay nor social pressure and mobilization will, by themselves, put an end to the military regime, all the more so when the Armed Forces are relatively united around a specific institutional arrangement that provides a timetable and mechanisms for their withdrawal from direct political power. If the military regime is not going to collapse or suffer military defeat, then there can be no democratic transition without negotiations between the holders of power and the political opposition. Whether such negotiations are mediated by a third party is another problem. Events in 1986 made it perfectly clear that if we want negotiations on a transition before 1989, they will have to be between Pinochet and the Armed Forces, on the one side, and, on the other, the representatives of the entire opposition, without exclusions (who does the "talking" directly is another issue). We have already indicated that negotiations with the Armed Forces without or against Pinochet before 1989 are wishful thinking, just as it is a pipe dream to think that the sector that has a very strong capacity for mobilization to force negotiations, the Left, can be excluded from them. Now then, if for well-founded ethical and political reasons we do not wish to negotiate with Pinochet (the paradox here is that one of the opposition's most significant negotiations with the government was conducted by what is regarded as its most "hardline" and "unacceptable" sector, the Communist Party, when its secretary general was exchanged for the dissident Bukovski) or if we feel, also with good reason, that Pinochet will not negotiate under any circumstances, then we must accept that there will be no transition until 1989. Because the only solution is obligatory negotiations, but negotiations nonetheless. This is what makes a transition before 1989 difficult but not impossible.

If we want to bring about the conditions for negotiations, we must clarify what we are negotiating and reiterate that in Chile's case the only possible negotiations involve how to modify the institutional framework that the regime has imposed, in other words, how to amend the constitution to permit democratic elections according to a specific timetable and how a democratic constitutional framework can be built in the future. It is noteworthy that until 1986 the opposition at large did not propose to the country and to the regime an alternative to the regime's own timetable. Obviously, the concept of negotiations remains devoid of substance and the social mobilization lacks goals. The most serious problem is that in 1987 the opposition will have to address institutional issues such as the voter registries and the party laws without having developed a consensus on a consistent strategic overview. In contrast, the opposition often harps on future issues having to do with economic or social models, which only thwart an accord that must focus exclusively on how to resolve the problem of who governs society and how. Transitions are blocked or delayed when each player, from his current position of power, seeks to impose future pacts that do not focus solely on when and how the military regime is to end and what form of government (not which specific government) will replace it. All other problems, which are basic to the country, belong to the consolidation phase after the democratic regime is in place. The Right's current comparative advantage has led it to include these issues as a means of guaranteeing its future interests. Moreover, the opposition's excessive emphasis on ideology causes it to become entangled in

issues that cannot be resolved now or outside a democracy. When we speak of a democratic regime, we are obviously including human rights and an institutional system to guarantee them. In this regard, the issue of justice in relation to the violations that have taken place under the military regime must be part of negotiations for a transition. 1986 showed, in spite of Minister Carlos Cerda's sacrifice, that there will be no justice in this regard under the military regime and, therefore, that this issue must be clarified at least in principle during the transition but resolved under the democratic regime.

The absence of an alternative to the timetable and mechanisms of the constitution is obviously the opposition's major shortcoming. This is perhaps the only justified criticism of a political class whose opposition to the dictatorship has been a long and costly learning process because of its lack of experience in this regard. In contrast to a clear and consistent proposal for a transition (an alternative to the blueprint set forth in the constitution for the period from now until 1989 and how to reconcile the contradiction between the two blueprints), great importance has been attached to the organizational issue, the famous issue of the "representatives" [referentes], whom much of the population is not familiar with or cares about. Oddly enough, the cart has been placed in front of the horse here. Instead of specifically calling for a change in the regime and the start of a transition and then specifying the institutional mechanisms to this end, in such a way that all sectors can support it regardless of their ideologies, the opposition forms a partisan bloc, excludes certain groups and becomes more of a forum for discussion and negotiation about entering, leaving, narrowing or expanding it, than the catalyst for a national political alternative. In this regard, we can argue for or against the Democratic Alliance, the MDP [Popular Democratic Movement], the National Accord, and the Group of the 13 ("Bases of Support" pact) and claim that the fact that such and such a "representative" has expanded or has achieved an agreement on a generic document is progress. But their hallmark is still mutual exclusions, minor advantages of space and forum, and the battle for leadership that today does not mean representation. I am not lapsing into facile criticism; we must acknowledge, I repeat, that this is a learning process. But I must point up a shortcoming that public opinion senses and complains about.

The opposition's two blind spots are perhaps closely related. On the one hand, there is the absence of a unified, consistent political strategy and of an alternative to the regime's institutional blueprint, and the substitution of rallying cries or partial strategies that are portrayed as panaceas (mobilizations, work stoppages, free elections, etc). On the other, vast sectors of the Left are being excluded, which detracts from the capacity for mobilization that is indispensable for any negotiation with the military regime and, in certain groups, especially the Communist Party, reinforces the factions that favor insurrection and isolation. It bears stressing that if we are clear that under a future democracy we cannot do without the Marxist Left, it makes no sense to exclude it from the accords for a transition. History shows that the military cannot possibly veto the inclusion of the Marxist Left and the Communist Party if the political class agrees on their inclusion. Therefore, the responsibility for exclusions rests with the political class. This obviously impairs not only the mobilizational capacity and legitimacy of

the opposition among vast low-income segments but also its capacity to propose an alternative transition to the country, inasmuch as every prescription or proposal drawn up by one bloc or representative immediately forces the other to shy away from it and to put forth its own proposal so as to preserve its political identity. In other words, either the entire opposition (including the Communist Party) drafts and promotes a unified proposal for an alternative to the regime's transition, or the opposition will remain without an alternative or be forced to adapt to the situations with which the regime presents it.

In the minds of certain players and as a pretext among several others, the exclusion of the Marxist-Leninist Left and the Communist Party is linked to the problem of violence and the insurrectional strategy of the Manuel Rodriguez Front or the MIR [Movement of the Revolutionary Left]. Once again we must distinguish. In this case, between the violence that emerges as a desperate response, especially among the youth groups that the regime has subjugated, and that must be channeled into various forms of constructive participation and expression, and not simply condemned without understanding its roots; and the violence that is part of an armed or insurrectional strategy. The latter, which in 1986 unquestionably created enormous problems for the opposition and dealt a setback to the regime, which has recovered in part, must not be dealt with militarily, because that would mean the physical elimination of its activists; it must be addressed politically, as guerrillas are dealt with in other contexts.

In short, the country needs an alternative institutional prescription, a timetable for democracy other than the one set forth in the 1980 Constitution and a proposal for resolving this contradiction. Such a prescription cannot exclude any opposition sector; it must be able to channel the mobilization and function as the hub of potential negotiations. Whether such a prescription can be drafted by the opposition at large or, if this is not possible, by some player above the regime and the opposition such as the Church, will depend on the clearheadedness and generosity of the various political players.

The two ideas that circulated within the opposition in 1986 point in this direction, although the one does not go far enough and the other is misguided. Moreover, they are identified with an organizational representative or specific bloc, with the aforementioned consequences. The first, the mobilization for free elections, is an indispensable component in any transition. But when expressed in this manner, detached from timetables and mechanisms, it tends to boil down to an abstract rallying cry or, without saying so, to put everything off until 1989 (which is when the rallying cry would become a specific institutional proposal for an alternative), without offering a field of action, negotiation and mobilization over the coming 2 years. It is inadequate as a real proposal for a transition. The second idea, an opposition candidate (which is different from the need for a single opposition leader), is mistaken because, on the one hand, it embroils the opposition in discussions about specific points in an alternative that does not exist today and that would heighten internal competition and divisions, and, on the other, because there are no scheduled free elections, it necessitates the search for a name that is "acceptable" to the Armed Forces,

which in practice excludes a vast sector of the opposition, which cannot be asked to subordinate itself to a mere hypothesis.

Mediation and Pressure

The fourth component of every transition is the intervention, in varying degrees, of players who are above the regime and the opposition and who press for the establishment of a democratic regime.

There are two such players in Chile's case. On the one hand, outside influence and pressure, especially from the United States, and on the other, the Church.

Regarding American influence or pressure, above and beyond a discussion of its legitimacy, the major event in 1986 was the turnaround of the Reagan administration with respect to political change in Chile, although it was not devoid of ambiguities and enthusiastically backed the regime's socioeconomic model. The U.S. administration is trying to pressure the Chilean military regime into gradually paving the way, in the area of human rights and political-institutional forums and mechanisms, for a sort of "restricted" democracy that would exclude the Marxist Left as of 1989, but not before. This "restricted" democracy does not differ much from the political regime called for in the 1980 Constitution, but with free elections that would prevent Pinochet from remaining in power. It seems that the U.S. Government is not really interested in hastening real political democracy, although this shift has put distance between it and the military regime, thus creating more leeway for change and opposition activities.

As far as the Church is concerned, above and beyond the role that it has played all these years in protesting, defending and protecting and even its role as a forum in which social organizations were rebuilt, in 1985 it discharged a political function as a mediator in promoting the National Accord, whose flaw was that it excluded leftwing sectors. In the face of the shortcomings and major difficulties that plagued the political class in hammering out accords, it is noteworthy that the Church had to serve as a mediator among the various opposition sectors. But in so doing, it diminished its potential as a mediator between the regime and the opposition. After the National Accord, in 1986 the Church renounced this role, which is probably indispensable in Chile's case, and is no longer asserting its indisputable domestic authority and legitimacy to force a transition agreement between the regime and the opposition.

It is obvious, however, that any mediation or intervention by a player above the regime and the opposition that helps to trigger a transition must rest on a consensus proposal that appears to represent a nationwide desire. In this regard, we again see the opposition's aforementioned failure to offer an institutional alternative, a blueprint for change that all find acceptable. Who knows whether amid a prolonged crisis in which the political class shows no ability to overcome this failure, it will be up to a player like the Church to propose a prescription and force the political players in the two camps to take a stand on it.

With unqualified support from the Armed Forces until 1989, Pinochet will obviously try to follow the established timetable, tailor the institutional mechanisms set forth in the so-called "political laws" to changing circumstances and try to make sure that he will be reappointed in 1989. The problem for Pinochet up to 1989 boils down to a series of short terms in which he will try to gain time as that date approaches. Ideally, he seeks to create a situation that would enable him to declare a permanent state of siege, that is to say, to prevent society from mobilizing and to reduce opposition politics to the so-called top-echelon phenomenon. Pinochet's problem is what may happen in 1989. Because the institutional method that he has chosen to keep himself in power will reveal its contradictions then. In the first place, because for the first time the Armed Forces will have to make an independent political decision, albeit only relatively so, that could deepen latent divisions. Second, because the plebiscite on the reappointment of one individual will not enjoy any domestic or international credibility; in other words, it will in any event be seen as direct or institutional fraud. Third, because if he succeeds in remaining in power, the political forums that will be created (congressional elections even if restricted) will make his task as a ruler impossible. Since Pinochet realizes all this, his continued presence after 1989 will depend on his ability to outstrip his own institutional arrangement, in other words, a sort of palace coup, which would involve the Armed Forces politically and, therefore, conclusively politicize internal appointments and promotions so as to insure complete loyalty to his person. The danger of a rift and the need to preserve their institutional integrity could prompt the Armed Forces to split with Pinochet once and for all. In any event, this situation could lead us into a scenario that would be different both from a continuation of the regime and from a democratic transition. There would be widespread instability marked by the inviability of any political agenda, in which an army that Pinochet has "praetorianized" would unleash a permanent repression that would steadily legitimize an armed struggle against it. It would be a catastrophic stalemate whose outcome would remain uncertain and in which the country would disintegrate and become ungovernable, somewhat like the tragedy that befell El Salvador. Both the organizational features of the Armed Forces and the relative soundness of the political forces, as well as the presence of institutions with real moral authority, make this scenario unlikely, but we must not fail to recognize that certain components of it could emerge, as a number of developments in 1986 prove.

Given this exception, it clearly seems as if Pinochet's regime will most likely not continue past 1989 and that a transition will begin that year, if not earlier. But this also depends on the opposition.

The opposition can adapt to this scenario in two ways. Either by explicitly acknowledging that not until 1989 will there be an opportunity for change and by preparing to alter the plebiscite arrangement or to run a candidate and attempt to defeat Pinochet; or by keeping up its rhetoric about not waiting until 1989 but doing exactly what it has been doing so far with its mobilizations, unrealistic, halfway or exclusionist proposals and disputes over organizational representatives. Either would only make it easier for Pinochet to remain in power until 1989. More seriously, however, in both

instances the opposition would be in a worse position to bring about a transition that year.

The only way that the opposition can assure an end to the military regime and a transition to democracy in 1989 and, at the same time, to increase the chance of hastening these processes is to address the four components of a transition that we have talked about through a coherent strategy. This means, first of all, that all political forces, including the democratic Right, the Center and the entire Left, including the Communist Party, and independent of any partisan bloc or "representative," must formulate a single proposal for a transition that represents an alternative to the timetable and mechanisms provided for in the 1980 Constitution and come up with a way to resolve the contradiction between the two blueprints. It ought to include a political proposal for the pacification of the groups that are involved in an insurrection or that are pursuing the strategy of the armed struggle. Second, it means organizing a social mobilization around this proposal that leads to negotiations with the holders of powers. Third, it means calling together mediating institutions and players that can facilitate the negotiations.

This discussion of the problems of the political transition and of possible and probable scenarios seems to be divorced from the daily life and problems of the great masses of the Chilean people and seems to be going on behind their backs. Perhaps this explains the odd and widespread feeling that "no one is making any move whatsoever," that nothing can be done and that every initiative bogs down or winds up trivialized or throttled. It would seem as if political determination is colliding with a certain degree of recalcitrance in society, and the nature of the dictatorship alone cannot explain this. How can political movements be reconnected to the underlying country?

As we have argued, the point should not be to burden a transition with issues and problems that can only be resolved under a new democratic political system. The point is to realize that the country's structural and cultural realities give rise to a certain national sensitivity, which is unquestionably expressed in different ways in the various segments of society in a country as segmented as ours, and that political movements must somehow bear this sensitivity in mind. What is noteworthy, in fact, is how unfamiliar both the government and the opposition are with this "underlying" Chile, with which they therefore collide.

We can only indicate some of the features of the underlying Chile that a politically sensitive transition should take into account.

First of all, great stress has been placed on the fundamental changes that the country has undergone in recent years. This is true, but not enough emphasis has been placed on how much the country has not changed. In this regard, the culture of personal dignity, the esteem for collective and political action, the backing for what a government can do as the nation's representative, the understanding of solidarity, the recognition of diversity and the rejection of inequalities and injustices have remained unchanged. In other words, the democratic cultural substratum has not been destroyed and remains widespread among the people.

But it is not expressed "heroically." This is not a passing euphoria. The massive opposition to the dictatorship (approaching 80 percent) does not mean that people are prepared to mobilize all day against it or to die in the struggle. What all polls show is that alongside the tiny radicalized cores, the country at large wants democracy, opposes the regime, believes in politics and in parties but is skeptical of, mistrustful of and confused about the political class at large (including, of course, the government) and in overwhelming numbers wants negotiations between the government and the opposition to put an end to the current situation, while rejecting confrontation and do-nothingism. Perhaps the danger of cynicism, that "things are not going to change," stems precisely from the gap between a profound esteem for politics and democracy and the frustration about current political leadership and action.

Second, the country's structural and cultural transformation has proceeded in two complementary yet contradictory directions, which we must take into account when we think about political proposals that are addressed to the underlying Chile and that are not reduced to the activist cores, especially in Santiago. On the one hand, we are looking at a relatively rebuilt and reorganized capitalism that has introduced modern developments and the sorts of relationships and organizations that we cannot do without. Part of the country belongs to this reality, but it also diffusely and complexly permeates the other part. Because, on the other hand, we are looking at a vast trend towards underprivileged status, exclusion and atomization, a country that does not recognize itself in the former. It is wrong to think that Chile consists only of modernizing capitalism. It is also wrong to think that Chile is just the world of the underprivileged. Chile is both, as the modern age represents a lifestyle for some and a major frustration for most. Perhaps no segment of society better expresses this than the great masses of young people who are under the regime's thumb and lack channels for social and political expression but who, at the same time, have developed through new cultural forms (music, for example) a contradictory identity that radically rejects the context but that is partly involved in it through a certain degree of cultural consumption and concern for their personal careers. An odd mixture of anarchism and solidarity, politicization and depoliticization.

A proposal for a transition and the concerted action, negotiations and mobilizations of which we have spoken must be undertaken on the foundation of the underlying Chile, which does not consist of the tiny sphere of current political action, regardless of its persuasion. This is the only way to escape frustration and immobility and kindle hope.

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SURVEY REVEALS SLUMDWELLERS PREFER CENTRIST POLITICAL REGIME

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[Article by Alejandro Guillier: "What the Slum-Dwellers Think"]

[Text] Public opinion polls usually show unanticipated results. A recent study of 28 population zones of the metropolitan area is symptomatic. It discloses that slum-dwellers have a negative assessment of the political parties; nor is the image of the military regime positive. Only 6.7 percent of those queried said that they would like a new military government at the end of the present one. These are not the only controversial data.

The poll (taken by SUR Professionals, under the sponsorship of the Ford Foundation) covered 1,100 domiciles, comprising a sample representing some 2.3 million inhabitants of the capital.

The information was collected during August 1985, and was subjected to a stringent analysis. Four topics were covered: demographic and socioeconomic features of the residents; material living conditions; effects of the economic crisis; and politico-ideological orientation. Heads of household and residents of slums, camps, site operations, and similar areas were interviewed.

Social scientists Alfredo Rodriguez and Eugenio Tironi claim that the data are unexpected, and are certain to prompt a thorough revision of the opposition and government political strategies. They remark: "Behind the numbers and the statistical calculations, there is evidence of what the slum-dwellers think, and their real living conditions show up."

They also discovered social trends and processes. The data from this poll were compared with studies made by Desal and Promocion Popular in 1966. The information was also contrasted with similar studies conducted by the Latin American School of Social Science (FLACSO) and the Center for Studies of Contemporary Reality (CERC) on these same topics. And the results are consistent.

The Myth of Rebellion

A widespread myth is that slum-dwellers are living in a state of agitation, a kind of potential revolt hovering over Santiago's middle and upper-class

sectors. It supposedly involves a primitive mass of people at odds with the established society, who do not believe in nor value the institutions, with a new challenging society operating at their roots.

It is one of the many myths that are popular. In fact, a deepseated desire for integration into the society predominates.

The evaluation of the slum-dwellers and the institutions that have a presence in the slum is significant: the teacher, the priest, and the university student are the most admired. One symbolizes the possibility for social advancement; the other represents integration into a culture with which they wish to become incorporated; and the third embodies the success of an expectation, which is to achieve social advancement by way of education.

The report from the investigation notes that it is paradoxical that a population subject to discrimination should have such a high opinion of traditional institutions of the established order.

In contrast, the most repudiated group is that of the "drop-outs," those young people who have broken off from society and opted for escape. They are the ones who seek neoprene, the ones who have given up the search for a way to become incorporated into society. They symbolize what is negative, so to speak, the opposite of what is valued.

There is another telling item of information: the greater schooling achieved during recent years has not been matched by better occupational expectations. The figures show that unemployment is greater among the youth, whose average schooling exceeds that of those who have jobs. Nearly 40 percent of the slum youth have not succeeded in entering the job market. Despite this disappointing result, education is still valued as the surest path toward social integration.

The weight carried by the political parties is a complex topic. On a rating scale of from one to seven, the politicians fail with 3.4. This datum agrees with the results of FLACSO and Diagnos polls.

What is the explanation? The report of Rodriguez and Tironi associates it with the "risk of division" that slum-dwellers perceive in the parties. The doctrinal and practical confrontation among slum-dwellers is perceived as being opposed to their desire for integration and unity. But this assessment has its problems. The vast majority of them think that the political parties are essential for a true democracy. Nearly 80 percent have expressed this opinion in FLACSO polls. On the other hand, nearly 20 percent think that "they are of no use."

There is an abstract rejection of "politics," because the individuals who symbolize the political participation in the slum, such as the teacher, the student, and the priest, receive a high assessment.

Democracy Is Prosperity

The view of democracy is surprising as well. When asked "how they will fare in democracy," the majority responded "better" (30 percent); and "worse" was the response of only three out of every 100 persons interviewed.

Those figures deserve comment: for the slum-dweller, democracy has a concrete, material meaning. It is associated with prosperity. Also noteworthy is the high percentage of "don't know," "no answer" responses (53.1 percent).

That conclusion is consistent with another datum: four out of every 10 queried want a "strong, just" democracy. On the other hand, only two out of every 10 came out in favor of "extensive political freedom."

The social demands point in that same direction: the demand for health and police protection amounts to 62 percent of the demands voiced. It is followed by education, and then urban progress, such as water, light, and sewage systems.

Some of the low assessment of the parties may originate in this point. Under an authoritarian regime, the parties are not efficient channels for resolving their demands and aspirations. Nevertheless, in a democracy, they appear as effective channels for access to prosperity and to the resources of society.

The chart on "attitude toward social conflict" is also indicative of what slum-dwellers think. Nearly 90 percent are opposed to the blackouts; and over half fear protests. Only four out of every 10 agree with the land seizures. On the other hand, the willingness for a collective institutional mobilization receives a high degree of acceptance.

For 13 years, the government propaganda has denounced "the effects" of the Popular Unity government. However, this advertising offensive does not appear to have achieved the conduct that was sought. Nearly half of those interviewed (46 percent) described the action during Salvador Allende's 1,000 days of government as "positive." Another 22 percent have an intermediate opinion: they attach value to some features, and reject others.

This positive assessment is based mainly on economic reasons. A review of the unemployment rates, living standard and income helps to find the explanation for this perception. The real unemployment in the slums and camps is higher than the national average: according to the poll, it borders on 40 percent.

The negative assessment of the UP government is based on ideological arguments; but a fifth of the responses (20 percent) combines positive and negative features; "which shows that the Popular Unity experience has not broken the slum-dwellers' universe in two."

According to the data, the irreducible rejection is limited to no more than 20 percent of those polled, consisting of those who reject President Allende's government for both economic and ideological reasons.

Next Government

In accordance with the constitution in effect, what political combination would be the best for a next government? The question received conclusive responses.

A total of 38 percent think that the best option would be "Christian Democracy alone, as in the Frei government." The second option is "the right alone, like the Alessandri government," representing 14 out of every 100 persons interviewed. A Socialist-Communist alliance, like the Allende government, received 5.9 percent approval.

There are two other important data. Only 6.7 percent came out in favor of a new military government; and 20 out of every 100 persons polled did not answer. The investigators claim that these results deserve an exact definition. "The answers to this question have a different value. Expressing a preference for a new military government does not imply any restriction. Doing so in favor of a government such as that of Salvador Allende increases the psychological restrictions considerably."

The analysis retrieves several elements for the political debate. There are more people who describe themselves as being of the right than there are adherents of the military government. This opens a relatively broad space for action to the non-government oriented right wing parties.

The recollection of the UP government does not polarize desires as is ordinarily thought. Furthermore, a sizable portion of that 38 percent claiming to favor a "Frei type" solution has a positive image of the Allende government. The investigation report states: "There is an approval for a very fluid and not unconditional centrist solution."

In the same sense as the foregoing idea, the slum-dwellers' demand for democracy is mixed with an expectation of greater consumption and prosperity. The positive assessment of the Frei government is associated with the images of integration, advancement, prosperity, and participation.

There are also many nuances within the "popular world."

Approval for the Allende government is slightly greater among the poorest sectors. Where the levels of income, education, and housing are lowest, more radical political solutions are sought. It is also interesting to note that the opinion of women coincides with that of men regarding President Allende's government.

Nor have the youth developed a negative attitude toward the UP government, despite the fact that the official propaganda during recent years has been aimed mainly at this sector of the population.

There is another odd datum remaining. Among those who favor a new "military type" or "Allende type" government, the percentage of women is larger. On

the other hand, when confronted with options of the "Alessandri" or "Frei type," the men tend to predominate.

There are no indications that these positions may change in the near future either. The young people share the same opinions and attitudes disclosed in the responses from the heads of households.

Evaluation of Social Actors or Institutions

Evaluations of district or slum figures and of certain social institutions (from 1 to 7: simple average) *

* Grade scale: 1 = very negative evaluation; 7 = very positive evaluation

Teachers, 6.2; priest/pastor, 5.9; university students, 5.8
Very positive

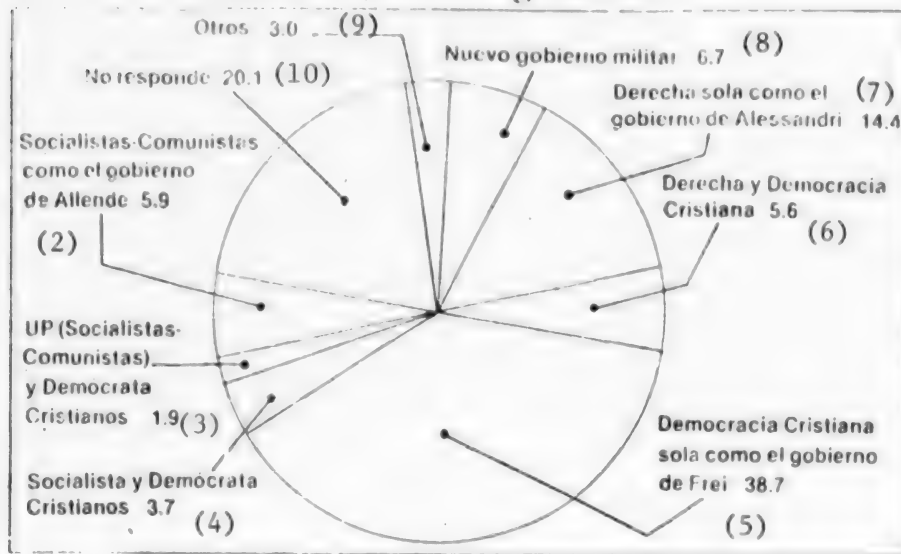
Neighbors, 5.3; physicians, 5.0; trade union members, 5.1
Positive

Merchants, 4.8; CEMA [Mothers Centers], 4.7; transportation drivers, 4.6; mayor, 4.6; Board of Residents, 4.4; National Guard, 4.3; businessmen, 4.0
Fair

Parties, 3.4
Negative

Drop-outs, 1.6
Very negative

(1) ¿Cuál sería la mejor combinación política para un próximo gobierno?



Key to Chart:

1. What would be the best political combination for a next government?
2. Socialists-Communists like the Allende government
3. UP (Socialists-Communists) and Christian Democrats
4. Christian Socialists and Democrats
5. Christian Democrats alone like the Frei government
6. Right and Christian Democrats
7. Right alone like the Alessandri government
8. New military government
9. Others
10. No answer

2909

CSO: 3348/198

ANIBAL PALMA CALLS FOR MOBILIZATION TO ACHIEVE UNITY

Santiago ANALISIS in Spanish 27 Jan-2 Feb 87 pp32-34

[Interview with Anibal Palma by Monica Gonzalez; date and place not given; first four paragraphs are introduction]

[Text] He still has the insolent smile of the 1970's, the lean figure and the youthful air, as well as the strong gestures that made him a favorite target of the opposition during the days of Popular Unity. At first glance one would say that "the Palma boy" [el Pibe Palma] has not changed. But that is just an illusion. The crow's feet around his eyes and his graying hair are not what betray the passing years. It is his eyes that tell us that our interviewee has just celebrated his 50th birthday, and at several points they also mirrored suffering, sadness and even frustration.

He no longer has the cocky look of old, when, as he himself says, "I felt and acted like the dashing young man in the film." Dead and buried for good are the happy times in the University of Chile, when he and Ricardo Lagos (his best friend), Arsenio Poupin and Jorge Arrate stirred up political activity in the Law Department by arguing with Pablo Rodriguez and Andres Zaldivar. Eight months on Dawson Island, 2 years in jail and 8 years in exile gradually devoured his joy. One day he hopped on a plane and returned to Chile before the sentence for embezzlement of public funds, the charge that the regime leveled at him, lapsed.

Last week he was acquitted once and for all, because the crime never existed. In 1984, however, he had to proceed directly from Pudahuel to Capuchinos. Many said that a political whirlwind had arrived and predicted severe headaches for the president of the Radical Party. They were wrong, because aside from what he has done well or poorly, the fact is that Anibal Palma is very cautious, even when he strives to conceal how deeply he has been wounded by the death of his friends and other things that he refused to discuss.

Yes, "the Palma boy" is not the same anymore. Perhaps some day he will unburden himself of the guilt and the grief and again devote all his energies and talents to following the example of the men whom he is so pained to remember.

"Elections? First Get Rid of the Dictatorship"

[Question] After 8 months in confinement on Dawson Island, 2 years in jail, 8 years in exile and 2 1/2 years of involvement in opposition political circles in Chile, do you feel like a presidential hopeful?

[Answer] No! I feel that sort of ambition shows a lack of respect as long as there is a dictatorship in Chile that has clearly voiced its desire to perpetuate itself.

[Question] It is more than obvious that the race for president has begun, even though no one has come out and said: "I'm running." Could this just be a problem of false modesty on the part of our politicians? Don't you suffer from that shortcoming?

[Answer] Having political ambitions is a serious, honorable thing. But the problem lies elsewhere. What is not right is failing to realize that first we have to create the conditions for free elections. Thinking about presidential candidates or free elections before ending the dictatorship is putting the cart before the horse.

[Question] So you oppose this entire idea of getting involved in the start of the election campaign and the registration of political parties?

[Answer] Of course. Chile is not a normal country. We are living under a dictatorship today. Consequently, I am a supporter of a movement for free elections but one that clearly states that such elections cannot take place under a dictatorship. Free elections mean having voter registries that provide guarantees, such as the nonexclusion of any political party, the right of assembly, freedom of expression, etc.

[Question] Do you mean that opposition political parties should not register until all of these conditions are in place?

[Answer] In the face of the regime's big ploy, either a single opposition party that does not resort to exclusions and that can point out a very clear path of unity and mobilization registers, or none of them registers. To do otherwise is to pervert the hope for democracy.

[Question] Do you think that the opposition will be able to confront the regime's strategy clearly and resolutely?

[Answer] I wager that the opposition will be able to successfully meet the regime's challenge.

[Question] By magic?

[Answer] No! The trap is just too obvious...

[Question] If so, why didn't the parties react before? They were familiar with the Political Parties Law long before, weren't they?

[Answer] Once again the political class has shown its lack of foresight. The problem is that if we play this little game, we have to forget about an opposition alternative for 1989. Some may dream of negotiating the choice of a candidate with the members of the Government Junta. But what for? To head up a transition government that excludes some groups? What sort of political stability can be guaranteed under those conditions?

[Question] There may be political sectors in the opposition that are interested in that sort of a solution...

[Answer] Yes, of course. There are sectors that are clearly working for such interests. They even want direct elections, but with definite exclusions through negotiations with the dictatorship. We have been unable to overcome the factors that are dividing us.

[Question] Don't you think that people are tired of hearing the same old rigmarole? Why don't you explain these factors a bit further?

[Answer] There is a tendency towards escapism. We have been unable to overcome a real problem that divides the opposition forces: disagreement over the forms and methods of struggle for confronting the dictatorship. Does anyone honestly believe that such a disagreement is going to be settled by undertaking a campaign for free elections or the Bases for Support of a Democratic Regime? Never! As long as there is a dictatorship, there will be neither free elections, nor a transition, nor a democratic constitution. So, the first thing is for us to come to terms on how to end the dictatorship.

[Question] Do you think that such an agreement is still possible?

[Answer] Of course. There is just one way: the broadest, nonexclusionary unity and a steadily mounting mobilization that forces the regime to negotiate from a position of weakness.

[Question] It would seem as if today almost no one remembers the social mobilization. In contrast, violence remains a recurring issue.

[Answer] Achieving true, viable operational unity demands agreements both on goals and on the ways of reaching those goals. If the majority agrees on mobilization as the method, and some forces unilaterally reserve the right to use other forms of struggle, they are jeopardizing all the other forces that share the consensus. It's that clear.

[Question] So why don't you promote a public appeal to those forces to renounce the other forms of struggle for the sake of unity to topple the dictatorship right now?

[Answer] Now we are getting to the underlying problem. Some sectors feel that this disagreement can be overcome through dialogue, by coming to terms, while others...

[Question] Why don't you get a little more specific about the identity of these "others"?

[Answer] Luis Corvalan, Clodomiro Almeyda and Luis Maira have signed a letter in which they express their willingness to talk and find a "political solution" to the regime and come to terms on the forms and methods of struggle. The proper response is to start talking, but instead people reject their offer because they say that they "do not believe" what those parties are saying. This is the case of Alejandro Foxley, a talented Christian Democrat (DC) who in a recent interview said that even if the Communist Party (PC) rejected violence, he could not agree to form a common front with it. The same goes for certain members of Ricardo Nunez' Socialist Party. The disagreement seems to lie elsewhere.

[Question] But while you and others are almost annoyingly stressing the need for unity, certain sectors keep on moving forward with their own political agendas...

[Answer] I don't see these forces as moving forward...

[Question] Do you think that the current rifts in and unworkability of the opposition are a minor matter?

[Answer] They are precisely the result of a diffuse, anti-unity policy that wavers between social mobilization and negotiation.

[Question] Some say that the problem is that almost all the current leaders of the opposition are the same ones who were involved in the failure of democracy in 1973. Do you share this view?

[Answer] There are not very striking changes to be seen in the younger generation either. This is tragic. Our college campuses, for example, were able at one point to grasp the need for unity, but they were bombarded by the message of divisionism and wound up absorbing it.

[Question] There must be an explanation for this.

[Answer] The political class cannot manage to break out of its airtight mold and indulges in the same old habits. They are not failures. It's just that they cling to a style of politics that belongs to a past that no longer exists, and they do not realize it. This is the regime's big advantage. It changed the country and is pursuing politics in keeping with the new Chile, while it faces off against an opposition that employs the purest traditional style, as if we were still living under a democracy...

[Question] But you're an optimist. So do you see a Gabriel Valdes or an Enrique Silva Cimma heading up the social mobilization in the near future?

[Answer] I don't want to start comparing, which could be harsh and unfair. The two men you mentioned have demonstrated great bravery and integrity in their style, but their politics is mistaken. They have confronted repression in the main square because they feel that this is a short-term need. They are wrong. What is needed is a ongoing, mounting mobilization, which only a wide

range of forces can spur on and achieve. They are wrong once again when they place obstacles in the path of unity.

Fear of Failure

[Question] Aren't you tired of repeating the same old speech for so many years and not achieving concrete results?

[Answer] No. It is true that I have not had much success, but when I analyze what is going on, I am more convinced than ever that my argument remains valid.

[Question] Aren't you afraid that one day you'll look in the mirror and realize that you've lost your youthful smile, have gray hair and are still repeating the same stale and unsuccessful speech?

[Answer] The day that I look in the mirror, see what you have described and feel like a failure, this country's problem will be much more grave than just my personal failure.

[Question] What are you afraid of right now?

[Answer] Failing to meet the challenge that you spoke of.

[Question] Do you doubt your ability?

[Answer] I feel frustrated. A great bitterness takes hold of me sometimes.

[Question] How is the Anibal Palma of today different from the young, happy-go-lucky, full-of-life lady-killer whom we knew during the days of Popular Unity?

[Answer] I am not the young man that I was then. I have lived the traumatic experience of all Chileans. Perhaps I am more bitter than others, but I cannot approach politics the same way as before, in the game of democracy. I cannot forget my dead friends, the ones who were tortured.

[Question] Which friends specifically?

[Answer] Coco Paredes, for example. A veritable black legend was spun around his name. I knew him well; he was my friend, and I loved him dearly. Arsenio Poupin, so many others. I can never again be the same happy fellow now that the men with whom I shared happiness and joy are gone.

[Question] What would you do differently if you could live the Popular Unity era over again?

[Answer] Not be so intransigent. We became so polarized that we didn't listen to each other. I am strongly self-critical. I was also guilty of such intransigence and I thought that one side was right and the other wasn't.

[Question] Aren't you sorry that you were so civilized towards Onofre Jarpa when he called you a "quiltro" [cur, nobody] on a TV program?

[Answer] I honestly admit that this is one of the times I wish I had behaved differently. I would give anything to have that scene repeated. But at that moment we were in the midst of a campaign in which the Right was accusing us every day of being violence-mongers, and you weigh the governmental responsibility you have on your shoulders. I was not going to allow myself to be provoked because I knew that that was precisely what they were after. Never in my life have I tried so hard to control myself so that I wouldn't get up and slap him.

[Question] The man who insulted you that day backed a coup d'etat, was a major figure in this regime and is preparing today to run an election campaign as just another democrat. What do you feel when you see this?

[Answer] A profound contempt for this individual. I think that the incident in question paints an accurate picture of him. Each person places the debate on the level that best suits him. Apparently he prefers the animal level. He also revealed his deep-seated elitist mentality by using the word "quiltro" in a derogatory way. This kind of dog is very popular among families in the shantytowns. Jarpa has contempt for anything that has smacks even slightly of the lower classes.

[Question] What did you leave behind on Dawson Island? What part of you remained on that little piece of Chile?

[Answer] What you mentioned before and what still bothers me: my joy as a young, free man.

[Question] Would you like to go back there?

[Answer] I've asked myself that many times...My answer is yes...

(His voice is almost a murmur, and he tries to hide the tears that are welling up in his eyes. The muscles in his neck betray the great effort that he is making to contain his emotions.)

I think that I could take it...I would have to pay homage to my comrades, to my brothers who are no longer here. Jose Toha, Daniel Vergara...

[Question] What did they leave behind for you on that island?

[Answer] I don't want to talk about it anymore.

[Question] Why? Is it wrong to tell our readers that Anibal Palma the politician cries when he remembers his dead friends? Is it wrong for you to still have an open wound?

[Answer] To me Pepe Toha is almost like Allende. He symbolizes the Chile that will not return. He not only looked like Don Quixote; he was one in spirit. The nervous breakdown that led to his release from Dawson Island, at

which point he weighed only 50 kilos, was brought on by the shattering of his values. The values of honor, of a man's word, the enormous ability to believe in people regardless of their political beliefs, it all collapsed around him because many of the people who staged the coup and killed his lifelong companions had even been his friends, had visited his home, used to drink with him and had even embraced him affectionately.

[Question] Do you feel a great deal of hatred for the people who brought on this situation?

[Answer] Honestly no, but mark my words: I demand justice.

[Question] What personal account do you have to settle?

[Answer] My own? Alongside so much death and destruction my personal problem is insignificant. I do not feel entitled to demand anything. Many things weigh heavily on me. I always ask myself: Why am I alive when so many people with fewer responsibilities than I had are dead? Why am I alive when such valuable people were murdered?

[Question] Do you feel guilty that you are alive?

[Answer] Guilty, no, but there is so much injustice in all this. On 11 September 1973 I was with the president in La Moneda even though I had no obligation to be there. Something happened that day that will stay with me for the rest of my life. When I got to La Moneda, Allende was finishing his last speech over an emergency telephone. I was in his office; there were people coming and going; we could hear shots. We formed a sort of semicircle around him. When Allende finished amid profound emotion, he began shaking our hands one by one. When he got to me, I tried to say something funny, as was my custom and because I was very tense. I had just left the Housing Ministry and did not have a job, so I told him: Mr President, since you said that each person should be in his work place and I'm out of work, I've come to ask you for a job. Allende did not smile, looked at me very seriously and, extending his hand, said: "Anibal, I know that you're going to be around," and here I am...

8743

CSO: 3348/199

BRIEFS

ELECTORAL REGISTRY STATIONS DISCLOSED--Juan Ignacio Garcia, director of the Electoral Service, today delivered a list containing the addresses of the 514 electoral registry stations, which are going to be installed in the country on 25 February, to the cabinet head. The list does not include the stations of Huasco and Puerto Aisen Provinces because the site for the stations has not yet been decided. Juan Ignacio Garcia indicated that citizens over 18 years of age will be able to register by showing their national identification card at the registry stations in their areas. Garcia explained that the registry procedure is very simple. After presenting an identification card, the information is written down in the registry. Prospective voters will then be fingerprinted and given an electoral registry certificate. Garcia also called on the people to participate and cooperate with the registration procedures. He added that he has confidence in the goodwill and prudence of all Chileans, and feels that they will register in an orderly manner, according to the terms established to register. Garcia refused to comment on the accusation made by the Comptroller Commission of the Christian Democratic Party. The commission feels that the mechanism to appoint the members of the registry councils is not very clear. Garcia said that he is not going to get involved in a controversy with political sectors. [By Eliana Henriquez] [Text] [Santiago Radio Chilena Network in Spanish 1600 GMT 4 Feb 87 PY] /7358

SIGUEL, CNT LEADERS PARDONED--A sentence handed down against six members of the so-called National Workers Command [CNT] has been pardoned. The judges of the 3d District Appellate Court passed judgment on the first appeal. They fully upheld the ruling of trial judge Sergio Valenzuela Patino. Eleven CNT leaders were sentenced to a 61-day prison term, subject to pardoning, for having called a day of protest on 4 and 5 September 1985. Taking into account the time they spent in preventive custody, the pardon benefits Rodolfo Seguel, Manuel Bustos, and Mario Araneda. The other six indictees will have to serve the outstanding time by periodically presenting themselves to the parole board. This will have to be done by Arturo Martinez, Jose Rivera, Jose Luis Figueroa, Luis Hernan Campos, Carlos Poblete, and Samuel Velez. Both the Interior Ministry, which charged them with violating the state security law, and the defense attorneys are reviewing the ruling. Both parties have stated that they will look into the possibility of filing an appeal with the Supreme Court. [Text] [Santiago Domestic Service in Spanish 0930 GMT 22 Jan 87 PY] /7358

DETAINEES REPORTEDLY WHIPPED--Santiago, 23 Jan (AFP)--Court sources today reported that two people involved in the thwarted attack against President Augusto Pinochet have reportedly been subjected to whippings while they were held in detention by the Chilean Secret Police (CNI). The people involved are physician Manuel Ubilla Espinoza and medicine student Jorge Pino Molina who were allegedly charged with running a clandestine clinic to care for the people injured in the attack against the president, which was perpetrated in September 1986. Official reports stated that during the attack, which claimed the lives of five presidential escorts, at least two subversives were injured. The report on the abuse against Ubilla and Pino was made by their attorneys and an Appellate Court prosecutor who visited them in the penitentiary and verified that both of them have injuries, one of them on the arms and the other on a leg. Following court orders, the prosecutor requested that a lower court investigate the case. The unsuccessful attack against President Pinochet on a road near Santiago was claimed by the Manuel Rodriguez Patriotic Front, which is described by the government as the armed branch of the proscribed Communist Party. [Text] [Paris AFP in Spanish 0344 GMT 23 Jan 87 PY] /7358

NEW CARABINEROS ZONE CREATED--Carabineros General Jose (Julio) Aguayo, has been appointed chief of the newly created 6th Carabineros region, with headquarters in Puerto Montt. The region will start operating by mid February, according to a report from the Llanquihue Carabineros prefecture. This new Carabineros region will have jurisdiction over the following five provinces: Osorno, Llanquihue, Chiloe, Palena, and Aisen. The Collaique Aeropolice Division will also be under the direction of this new Carabineros region. [Text] [Santiago Domestic Service in Spanish 2200 GMT 12 Jan 87 PY] /7358

FORESTRY BYPRODUCT EXPORTS--The National Forestry Corporation has reported that forestry by-product exports reached \$403 million in 1986. [Summary] [Santiago Domestic Service in Spanish 2200 GMT 13 Jan 87 PY] /7358

NEW NAVY COMMANDER--Punta Arenas--Rear Admiral Alfredo Gallegos Villalobos was installed as chief of the 3d Naval Zone. Adm Gallegos replaces Rear Admiral Gustavo Pfeiter Niedbalski, who will be installed as Maritime Territory and Merchant Navy director on 16 January. [Summary] [Santiago LA TERCERA DE LA HORA in Spanish 10 Jan 87 p 4 PY] /7358

JAPANESE DONATION--Foreign Minister Jaime del Valle and Japanese Ambassador to Chile Shuichi Nomiyama have formalized a donation by the Japanese Government to implement a project called the Puerto Montt fishermen's complex. The ceremony was held at the Red Hall of the Foreign Ministry building in the presence of high-ranking diplomatic officials. The project will be implemented in the two of (Sinchihue), Llanquihue province, and includes marine and shore installations. The Japanese Government's donation totals approximately \$5 million. [Excerpt] [Santiago Domestic Service in Spanish 0930 GMT 22 Jan 87 PY] /7358

CSO? 3348/193

SWEDISH REPORTER VIEWS ECONOMY, SOCIAL CONDITIONS

Earthquake Leaves Many Homeless

Stockholm DAGENS NYHETER in Swedish 8 Feb 87 p 11

[Article by Leif Norrman]

[Text] San Salvador--The earthquake victims of San Salvador are crowded together everywhere, next to the crosses and gravestones in the cemeteries, on narrow street islands among black, stinking exhaust clouds, on the edges of creeks full of trash, along the roads into the city.

Four months have passed since the catastrophe, but it looks as though it happened only a few days ago.

The homeless have built their shacks and huts on every imaginable small, empty piece of ground. They're made of debris, tin plate, plastic sheets and, at best, some boards or planks.

The greyish-brown dust paints everything a shade of hopelessness.

The color of poverty.

San Salvador was not a pretty sight before the earthquake, now it is awful. In the downtown section, the office buildings stand hollow-eyed, windowless, leaning over the streets, occasionally swaying during new quakes.

Groups of women and children and some men dig in the collapsed remnants of the slum, while the chalkdust rises like a cloud in the heat. They keep on digging and dump their wheelbarrow loads in some assigned place, but an end to their hopeless work is not in sight. There are even less signs of new houses being built. They have long time before them in the dust and the dirt.

What was destitution and misery before the catastrophe has become a couple of degrees worse, although they themselves and a casual visitor did not believe it possible. In San Salvador, the constant stale, sour-sweet odor of urine, dirt, dust and decay has only become more noticeable.

The smell of poverty.

Seven Planks

More than 300,000 became homeless because of the earthquake, according to the official figures from the government. 1,500 were killed, 10,000 injured.

Of course, aid did arrive from other nations and international organizations, but where did it go? The question is not easy to answer, it certainly did not get here to those who are the most and the worst afflicted.

"It was said that each family was going to get ten sheets of tin plate for roofs, eight boards and seven planks," some men tell us. "We didn't get them. If anything came to our area, it was less than promised and in worse condition. Someone is living high on the hog on the difference."

50,000 homeless from 50 city blocks have chosen representatives, who are going to demand that they receive at least some of the international aid that they, so far, have not seen much of, medical supplies, food and clothing.

Jose Israel Diaz is a shoemaker. He sits on the same little stool and has the same little wooden box in front of him for a workbench as he did when I met him slightly more than two years ago. He is actually sitting on the same floor as then. But then he had a roof over his head and walls around him, even though they were broken, dirty and ugly. Now he lives under paper and plastic and some warped, rusty sheets of tin plate.

He sits among the bundles of precut leather uppers from the "factory" he works for, swearing grimly in the dark: "At least there was a ceiling light before, and water. Now we don't even have that. It was difficult before, now it is hopeless," he says and continues to work in his race against the rapidly rising food prices, for which his weekly income of, at best, 125 kronor is not enough.

To The Bank

The room where he and his wife and their five children lived, was one of a series in an already ramshackle row house. 115 families lived in the building, about 700 persons. The shoemaker has lived there for twenty years. Now only the floors are left. But he, like most of the other families, has nowhere else to go. They are s.laying.

"We did what the government told us, we formed a committee and went to the bank in order to get loans for rebuilding.

"The bank said no. The owner of the shack, whom we have probably made rich, also said no, he did not want to sell, not to us. So here we sit. The future looks very bleak.

"We have not received a single plank or any kind of help from the authorities. They haven't even come here to talk to us. I shudder at the thought of the coming rains. And of the day when the owner sells the ground to someone else and we get kicked out.

"When we talked two years ago," he says between fits of coughing, "I thought that we were at the bottom of society. Now we have sunk even deeper." He gives a quick smile and shakes his head in wonderment.

Bills, Statues

In another area, 95-year old Casimira Escobar sits among debris and ruins in her shack, her wrinkled face beaming: "I thank God that I'm alive. I have faith. When I have nothing to eat, I hold out my empty hands and He puts something in them. If I become too hungry," she adds, somewhat less trustingly, "I go to bed and sleep."

Oh, it's a nuisance," she says becoming totally down-to-earth, "when we have to defecate, we have to do it in plastic bags which we then throw in the river. It becomes difficult when you have a weak stomach and that is an affliction of those who live here. We have no water, we have to buy it, pay for every jar. Where are we going to get the money?

"I have lived in San Salvador for 75 years, I came here when the statues were living persons and the men on today's currency were presidents, but it has never been worse than now."

United States Dollars

"We have always been poor, but most of the time we did have a little something to eat. But now...? Now I live on faith.

"When I came to the city of San Salvador, there were horses in the streets, not cars. We didn't have any money but we bartered rice for beans and beans for meat. I have lived a long time and seen a lot. And I can say this: We have never been worse off than now."

All of them say the same thing, the ones we meet when we walk around in the rubbish of San Salvador's poor, the city that is overflowing with refugees from war and economic stagnation in the countryside. The capital city of the small country to which the United States gives almost two million dollars a day in order to demonstrate that there is peace and freedom in Central America.

Something smells rotten in San Salvador.

Union Power Increasing

Stockholm DAGENS NYHETER in Swedish 10 Feb 87 p 11

[Article by Leif Norrman]

[Text] San Salvador--Six armed men attacked 24-year old Febe Belarte, when she was on her way to a union meeting. Six plainclothes men who dragged her into a car with darkened windows, who blindfolded her, put a noose around her neck, who beat her and insulted her.

For five days, she was tortured and interrogated.

For five nights, she was kept from sleeping.

Febe was convinced that she, like hundreds of others who were active in the unions, would be found dead and mutilated, dumped on some roadside. Or just disappear forever.

But too many of her fellow-workers had seen the abduction, the car and the six men. They sounded the alarm to other trade unions and the international press. They arranged meetings and demonstrations, marched on the parliament and demanded her release.

Febe Belarte did not become a new name among tens of thousands of other victims nor another picture of a bloody, mutilated corpse in the archives of human rights organizations.

She is back and just as active as before. Scared, of course. And more careful. But more convinced than ever of the importance of her work.

Never Alone

Six months have passed since those days of terror. She never walks alone in the street. Tensely, she humors the DAGENS NYHETER photographer and takes a few steps into the street outside the house where a union meeting is taking place. And retreats quickly and seriously again.

"All of us, whether we are active in the union itself or in the factories, are blacklisted and marked. They know where they have us and sooner or later they will strike," she says.

The union movement in El Salvador is beginning to become a political power factor again. From having been persecuted and crushed by death squadrons and the military, it is growing now that it is becoming increasingly clear that President Duarte and the military neither can nor want to put an end to the civil war, and the economic situation worsens. A few years ago nobody dared to strike and only some hundred courageous people protested and demonstrated. Several times the union has shown its new power by gathering thousands in demonstrations.

When Febe Belarte started at the textile factory, Circa, where Levi's jeans are made, she was 17. That was in 1979. The union was inactive, its leaders were murdered and the others were frightened into silence.

"Nobody dared to try to organize us again," says Febe. "Not then, but after a couple of years the exploitation and oppression were still so severe that we couldn't keep quiet any longer. We were on starvation wages and someone had to try to focus the dissatisfaction. In 1982, we started to make demands. The response was new terror. Two of my fellow-workers were kidnapped and disappeared."

Assaulted

A woman, doing their organization work, was assaulted and captured inside the factory by armed strangers, but other workers managed to prevent her from being carried away.

The woman did not dare to return to the factory, however. Febe took over her union work.

"A lot of courage and a lot of work was required from all of us," she says.

"Terror was our daily companion and the employer did his best to keep it alive with threats, mental terror and new kidnapping efforts. They planted spies among us. There was no question of negotiations.

"60 percent of the factory's 300 employees are now organized. We have brought about a contract. We were, however, forced to strike for that. We have managed to raise the daily wage to 33 kronor. You can't keep a family on that. 80 percent of the workers in the factory are women, and a very large part of them have several children but no husbands."

An Example

Febe Belarte took on more and more union assignments. She was elected to the board of the National Workers' Federation (Fenastra). She was more and more visible. She became an example. That is why she was dangerous and that is why she was taken.

"During the interrogation, they wanted me to admit that I'm actually a member of the FMLN-guerillas, that I'm their messenger. All of my fellow-workers know that is not so. When they did not manage to make me say what they wanted to hear, they changed tactics and wanted to buy me, offered me money to become an infiltrator. I was very careful of their traps. And it is fortunate that I was not raped and became pregnant, something that has happened to so many I know during the interrogations.

"The union movement has been accused by the government and the military of being directed by the guerillas and being used tactically by them in their fight against the regime. The guerillas have their own political platform and fight in the mountains. We have our platform and fight here at our places of work. Certain of our political demands coincide but that does not mean that we are directed by the guerillas and fight their battles.

"When I was captured, the protests were so loud that President Duarte was forced to intervene. He turned it into a publicity stunt for himself. He spoke to me about his years in exile and compared our situations. But he is the man who is the puppet of the United States and who allows the poor to become poorer under the economic crisis that is a result of a war that he refuses to negotiate an end to."

We are talking in an old tumble-down wooden shack in the earthquake-ravaged center of San Salvador.

It is Saturday morning and the workers' solidarity committee is starting its meeting. It begins with the national anthem. Febe sings along. "We want to recapture it," she says. "It can't belong to the rich alone."

In the hall, men and women step forward and talk about the situations in their workplaces. Continuous applause can be heard. "Long live the union movement, long live solidarity," can be heard over and over again.

Someone mentions the strike at his place of work, wants support and help. Another reads the names of two fellow-workers, active in the union, who were seized and "disappeared" during the week. Perhaps gone forever.

Only twelve percent of the workers in El Salvador are organized so far, but that constitutes a large step forward in a few years and implies a new political force. A young union movement is growing despite constantly being threatened with death.

Small Business Suffering

Stockholm DAGENS NYHETER in Swedish 13 Feb 87 p 12

[Article by Leif Norrman]

[Text] San Salvador--No initiatives for new peace talks are noticed in El Salvador, and in the shadow of the stubborn civil war, the economic situation has worsened to the point where it is threatening to undermine the political position of President Jose Napoleon Duarte.

In the El Salvador countryside, the war picture, generally speaking, has remained the same for the past two years: An increasingly better trained and equipped army forces the guerillas to be constantly on the move and to operate in small groups. It is a war without clearly defined frontlines. Skirmishes break out both here and there in practically the whole country.

The mayor of San Agustin in Usulután was carried away by guerillas, and the dusty roads leading to the village are now patrolled by army units. As soon as they withdraw, however, they know that the guerillas will be back.

Seven cotton-pickers were killed by guerillas near San Vicente, an attack meant to interrupt the harvest and harm the economy. At the same time, the army bombed the Morazan province and seven peasants were reported killed in one village. Fights and bombings are also reported in the area around Tenancingo, only a couple of miles from the capital.

In rough outline, those are the happenings during an ordinary week in war-torn El Salvador. There are no large battles, no losses, and no victories in this war that neither side seems to be able to win militarily.

But it is conducted according to the aims and wishes of the United States: to push aside the guerillas, to force them to operate on a small scale and to prevent them from controlling large areas.

Costly

It is a costly war, however. In 1985, the United States pumped one million dollars a day into the small country, hardly larger than the county of Smaland. The aid has grown since then and is now aiming towards two million dollars per day.

The Salvadoran army seems satisfied and full of confidence. But business owners and trade unions alike are grumbling. The American assistance is not adequate and President Duarte is trying to push through a new economic package, which will mean increased taxes aimed at paying for the war. He also wants to push through a proposal for compulsory military service.

"The democracy is being threatened, the economy is in chaos and a state of crisis," cries the small, but mighty, business-owner class angrily.

"The poor will be paying dearly for the new taxes through even higher prices," protest the trade unions and state that unemployment is already between 50 and 60 percent. The compulsory recruiting will also hit the poor, as always, the rich can buy their way out.

Both trade unions and business owners criticize the president's economic package, although not for the same reasons.

When the business owners, led by the Chamber of Commerce, proclaimed a day of protest and managed to close down and paralyze practically the whole country, the trade unions were far from uttering any kind of criticism. Earlier the same week, they had gathered some 10,000 people for a protest against Duarte's package.

As if this were not enough, during that week the guerillas announced a ban on transport on any roads in the country, lasting for several days. Few dared to oppose it for fear of attacks, and the economy received another setback.

Refusal to Vote

President Duarte's position is made no less awkward by the fact that the opposition in the parliament refuses to vote. For that reason, the state of emergency that is now expired cannot be extended. Which perhaps is not that important in a country like El Salvador, where law and order never have triumphed. Nevertheless, it is politically embarrassing.

President Duarte represents the democratic facade, that the United States wants in Central America in order to justify its criticism of the "communist and dictatorial" Nicaragua. And the military, who have never experienced such golden times, now support him and keep the perpetrators of coups and the death squads somewhat in check, so that the well will not run dry.

If the ferment in El Salvador continues, with threats of strikes and economic protests from both the trade unions and the business owners, the economic picture can become so bad that President Duarte, in the future, will not even do for the United States democratic facade in Central America.

The earthquake, its costs and its victims, has hardly made the situation any easier. Especially since it is obvious that much of the aid has disappeared into private pockets under the widespread corruption. Very little of it arrived where it was needed most.

There is ferment among both the poor and the rich in El Salvador.

12339

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WAGE ISSUES EMBROIL WORKERS, GOVERNMENT, OPPOSITION

Rejection of TUC Proposal

Georgetown MIRROR in English 11 Jan 87 p 1

[Text] The government has bawled out a flat 'NO' to the TUC's 1987 wage proposals of \$30 per day plus indexation and with a little bit of financial wizardry Finance Minister Carl Greenidge has come up with 'alternative avenues to the conventional approaches for raising the take home pay of workers.

Where this ill-wind bringing bad tidings to the hard-pressed workers comes from is all too clear. In the current wages negotiations, Greenidge wrote TUC General Secretary J. Pollydone saying that the 'current financial situation is so precarious as to seriously undermine our ability to implement measures to significantly increase real incomes for most of the labour force.'

But here comes the bottom line. Said Greenidge: 'All the agencies we approached for external assistance, link their intention to assist with proof of our intention and ability to urgently implement strong corrective measures to generate savings in the public sector in the short term to finance productive investment....'

At one time Pollydore, when requesting an increase in the minimum wage, was told to say where the government will get the money. Now the government says that it cannot concede wage increases because the foreign investors whom they are wooing, dictate that the regime save money by keeping wages down.

The IMF is not here. The World Bank is not here. At least, not yet. But what they want is already becoming official policy. It's a pity that a government which boasts of 'winning' a 'majority' of votes at elections, in the year of economic adjustment has implemented as its first move, a wage freeze to please foreign masters.

So what exactly are these 'alternative avenues' explored by the Finance Minister who we understand from elsewhere is 'in wonderland?'.

.-Instead of across the board increases the government proposes "a combination of personal income tax and NIS reforms" which will increase take

home pay. These are long outstanding TUC demands which are now being used as a carrot.

--Increase minimum wages of 'protected sectors' such as hotels, shops, parlours, etc., by 135 percent over 1985 for 1986 and 26 percent above that of 1986. This fools no one. The fact is that the current minimum is \$30 a week. Given the increases these employees will now receive about \$90 per week. This is still disgraceful. In any case, most such businesses pay more than that to keep workers.

--Vague suggestions that the 'old, sick and infirm' will get increases through increased NIS pensions and sickness benefits.

--Taxing husbands and wives separately from the beginning of 1987.

The biggest hoax is that for the largest bloc of workers, those in the public sector, there will be no increase (except) for a five percent benefit based on appraisal. Already the appraisal scheme is in trouble with many employees dissatisfied with the way it is being done. In this way the government can control what percentage of the work force will get increases depending on what criteria they set for the appraisal.

The Guyana Teachers Union last year complained about the appraisal system. The GTU contended that it is 'unprofessional and wrong to ask a head (of school) to reassess his teachers to stick within the five percent wage bill, since in fact he may not be giving a true assessment of all his members of staff....'

The negotiations are still going on. Sources say the government will stick as much as possible to its austerity measures. One trade union leader told the MIRROR that 'trade unions must now prove their salt by taking a firm stand on the wage issue and support the TUC position of \$30 per day minimum and the indexation of wages'.

Shift in Government Position

Georgetown MIRROR in English 18 Jan 87 p 1

[Text]

The government has shifted its position from no across-the-board increases for public sector employees this year to a package including a 5.5 per cent across-the-board increase for the current year plus a 0.5 to 7 per cent appraisal award.

Up to press time it was not confirmed whether the TUC has accepted the increases but

it is understood that even if there is any acceptance there will be no signing of an agreement until the overall impact of the 1987 budget measures are considered.

In particular, it is understood, that in the event of a devaluation of the Guyana dollar or other taxation devices affecting the increases, the negotiations will always have to continue.

Sources say it is to the credit of the team lead by President George Daniels in holding out, and even reducing its \$30 per day minimum wage demand which resulted in the changed position of the government team led by Finance Minister Carl Greenidge.

Apart from the strong stand taken by some labour leaders, it was, however, pointed out that the attitude of some was

tantamount to "begging" and not putting up a strong case on the workers' behalf.

The government opted for a two year agreement. The 1988 aspects include an across-the-board increase of 3 per cent, an additional one per cent increase for every percentage increase in the Gross Domestic Product and an appraisal award of between 5.5 to 7 per cent.

The government's package, expected to be included in the 1987 budget, also include income tax revision, adjustment to pensions, increases for 'protected' sectors, financing of the Critchlow Labour College and grants for research activities of the labour movement.

Government's initial position was not to pay across-the-board increases but proposed "alternative avenues" to increase

take home pay. The Finance Minister argued that the government's "financial situation is so precarious" as to undermine its ability to foot the bill. In addition, overseas agencies approached for assistance insisted that government cut spendings and increase on savings to finance productive investment.

The increase suggested by the government amounts to almost nothing — less than one dollar a day for 1988. A twelve per cent increase (the increase plus the 7 per cent award) will bring the daily minimum wage to less than \$19. A 3 per cent increase on that for 1987 could hardly buy a few sweets. In the event of a devaluation, the effects will be disastrous.

From all appearances wages are to be stabilised at starvation levels. The TUC itself suggested that for a family of six

a monthly income of \$1,350 will place them on the poverty line.

Recent government figures dramatise the plight of Guyanese workers when comparing their earnings and the skyrocketing cost of living. A 1985 wage survey found that 89 per cent of workers earn less than \$900 per month. A further breakdown shows the following:

Monthly Salary Class	Percentage of Workers
Less than \$433	33
433 — 699	43
700 — 800	13
900 — 1,099	4
1,100 — 1,499	2
1,500 and over	5

According to information the government and TUC are yet to conclude discussions on increases in NIS benefits and contributions and severance pay.

GAWU Criticism

Georgetown MIRROR in English 25 Jan 87 p 4

[Text]

"Beyond any reasonable doubt, the 1987 Budget; Proposals have completely nullified the value of the 1987/88 wage package agreement negotiated between the Government and the Guyana Trades Union Congress. The Guyana Agricultural and General Workers' Union is deeply disturbed by this breach of faith on the part of the government and firmly believes that deliberate efforts to lead the TUC to conclusions which are the very opposite to the real intentions can only emanate from a supremely self-conceited party and government," according to a GAWU statement. The Union further added:

The GAWU had warned that any devaluation of the Guyana dollar can only increase the poverty of sugar workers. The 127% devaluation announced in the Budget will cause immeasurable suffering to

workers generally, and would certainly further aggravate

the serious consequences of underemployment and loss of employment of sugar workers through the intensified rationalisation programme this year in the sugar industry. Any hope of better quality of life is now lost for many years to come.

"We note the attempt to cushion the negative impact of the Budget on the masses, but are convinced that much more will have to be done if any real benefit is to be derived. The drop (devaluation) of the value of the dollar is too great to be off-set by the measures announced, the most significant of which is a mere \$15-20 million income tax re-

form.

"The 1987 Budget is a clear declaration of the government's anti-working class policy. It seeks to solve the economic crisis at the expense of the people. It is no different from the International Monetary Fund's way of solving the economic crisis in the interest of imperialism particularly its financial institutions.

"The GAWU calls on the government to introduce meaningful measures which will protect the working people from the vicious attack of the Budget on living standards.

"The attention of sugar workers and indeed of all workers is now focused on the Guyana Trades Union Congress. It must stand up for the workers."

Hoyte Exhortation

Georgetown GUYANA CHRONICLE in English 26 Jan 87 p 1

[Text] The Finance Ministry and the Trade Union Congress are being asked to get on as quickly as possible with the task of settling the outstanding aspects of the recently announced Government-TUC wages agreement.

Addressing the PNC's quarterly general Council meeting last Saturday, Party Leader, President Desmond Hoyte told the gathering, including several prominent trade unionists, that it was important the Finance Ministry and the TUC get-together early to settle the outstanding issues.

"The longer it takes, the more exposed the worker is to the impact of increased prices. Prices have risen already," Cde Hoyte noted.

Government and TUC have reached agreement, as announced in the 1987 Budget presentation, on wage and salary increases for 1987 and 1988 and on other related matters. However, because of the devaluation of the Guyana dollar announced subsequent to the wage and salary agreement, the across-the-board element of the pay package will have to be renegotiated.

This renegotiation will be in keeping with the agreement reached between the Government and the TUC before Budget Day.

There must not be undue delay in ensuring the workers' salaries are adjusted and the necessary retroactive payment made, Cde Hoyte stressed.

He particularly warned against "foot-dragging," noting that some persons might wish to exploit the situation.

/9274

CSO: 3298/142

SUGAR WORKERS TO SHARE IN \$20-MILLION BEFORE-TAX PROFIT

Georgetown GUYANA CHRONICLE in English 23 Jan 87 pp 1, 5

[Text]

THE Guyana Sugar Corporation (Guyuco) last year recorded a pre-audited profit before tax of approximately \$20m of which the nation's sugar workers will receive close to \$8m in profit share, the Corporation's Chairman, Cde. Harold Davis, announced yesterday.

The Corporation's outstanding performance last year contrasts sharply with its performance the previous year when it recorded a loss of \$77.8m and even more sharply with 1983 and 1984 when it recorded even larger deficits.

Cde. Davis told a Press conference yesterday it was still too early to give a final figure but Guyuco's workforce could expect \$7m to \$8m in profit share — their first since 1974.

The formula which will be applied in determining the profit share, Cde. Davis explained, was adumbrated by the Persaud Commission in 1968 and amended in 1975 by the Crane Arbitration Tribunal.

At yesterday's Press

conference, the Guyuco Chairman and some of his senior officers announced some details of the path along which the Corporation plans to travel over the next five years.

Substantially improved sales of sugar in Caribbean Community (Caricom) countries — especially Dominica and St. Vincent and The Grenadines — improvement in the price received for European Economic Community (EEC) quota sugar as well as an increase in income from domestic market contributed significantly to the Corporation's 1986 revenue.

The Corporation's surplus position was also enhanced by its success in controlling costs and by "the good start" it made in its accelerated diversification programme, Cde. Davis explained.

From its Caribbean markets, Guyuco earned nearly \$5m in 1986 — up from under \$1m in 1985. These markets are expected to yield higher returns this year with supplies of sugar

going to Antigua and Barbuda and to Saint Lucia, according to Industrial Director, Ian McDonald.

The Corporation will also export 20 000 tons to Canada and expects favourable returns from the EEC market again this year.

Meanwhile, in detailing some of the Corporation's other plans for this year, the senior officials explained that Guyuco will spend US\$42m on the importation of mechanical harvesting machinery from the USA, planting and cane haulage equipment from Italy and labour transport vehicles from France, in its bid to improve its production capability.

Cde. Davis said he was convinced there was buoyancy afoot and that Guyuco would do everything to ensure the achievement of its targets.

The Press conference which was convened at the Visuals Production Centre (formerly the Film Centre) on Homestretch Avenue, was attended by local and Caribbean and other foreign media representatives.

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CSO: 3298/142

RICE PRODUCERS ASSOCIATION ASSAILED BY GOVERNMENT

Georgetown GUYANA CHRONICLE in English 16 Jan 87 pp 1, 4-5

[Text]

A Working People's Alliance (WPA) motion urging Government to open dialogue with the Guyana Rice Producers' Association (RPA) was defeated in the National Assembly Wednesday amid disclosures by Senior Minister Dr Patrick Mc Kenzie that the RPA had reneged on agreements reached between that association and President Desmond Hoyte in October 1985.

The motion, introduced in the Assembly by WPA Member Eusi Kwayana, had sought to have discussions leading to Government's recognition of the RPA and consequently to have the RPA represented on national and regional rice agencies.

Government backbencher Kayman Sankar, who endorsed Dr McKenzie's comments underlined the RPA's negative attitude toward farmers' welfare and industrial acceleration, and that had prompted him to resign from that body.

DESTROY

The undemocratic nature of the RPA, perpetuated by a prevailing atmosphere of partisan politics, had enforced within the association a narrowness of perspective that now threatens to destroy even the shaky

process through which it was able to discuss representation with President Desmond Hoyte, Cde Sankar stressed during debate on the motion.

Government's revelations that President Hoyte and the RPA had already met and worked out the mechanisms for RPA representation on the various institutions completely astounded Mr. Kwayana.

In response to the Senior Agriculture Minister's remarks that the motion by Mr Kwayana was "ill-conceived and indicated a profound lack of knowledge and information on the part of the proposer," the WPA Member conceded he had tabled the proposal without doing his homework.

A comprehensive agreement reached at the meeting between President Hoyte and a five-member RPA delegation was still to be honoured by the RPA, Dr McKenzie told the National Assembly.

That meeting, convened on October 11, 1985, had concluded with an undertaking by President Hoyte to seek an amendment in the 1985 Rice Act to accord the RPA representation on the National Padi and Rice Grading Centre, the Guyana Rice Export Board and the Guyana Rice Milling and Marketing Authority.

The President had offered to have two RPA representatives placed on

each of the three agencies, as well as one representative each on the regional rice action committees constituted for Regions Two, Three, Four, Five and Six and one representative on the Advisory Committee of the National Agricultural Research Institute.

In addition, President Hoyte agreed in principle to grant a subvention to the RPA on condition that it submitted a programme of activities compatible with development goals for the rice industry formulated by the Ministry of Agriculture.

The RPA, Dr McKenzie revealed, undertook in return to "submit promptly" the names of its nominees to sit on the various institutions and was issued with a reminder of its undertakings three days after its meeting with President Hoyte.

In the meantime, the Bill to amend the Rice (Regulations of Manufacturing and Marketing) Act 1985 was promptly tabled in the National Assembly, passed on October 25, 1985, and assented to by President Hoyte on October 30, 1985.

Yet "up to the present time, more than one year after that meeting, the

RPA has not submitted any nominations to the boards and committees of the relevant entities. It has neither submitted any programme of activities (to the Agriculture Ministry) nor has it made any request for

a Government subvention," Dr McKenzie said.

PPP Parliamentarian, Mr. I. Basir, who along with PPP leader Dr Cheddi Jagan supported the motion, attributed the failure of the

RPA to honour its agreements with Cde Hoyte to internal wrangling within the association.

The impasse in the RPA aroused brooding doubts in the Assembly about the association's readiness to assert itself in positions of national responsibility.

The RPA had not only virtually "killed itself; it attempted to kill the rice industry as well," Cde Sankar said.

One aspect of this new awareness of the RPA's negative response to gestures for improving rice output and raising farmers' living standards, an Agriculture Ministry official said yesterday, was the fear that the RPA will be unable to sustain the trend of responsible representation that Government has been attempting to establish in the country's rice industry.

Dr McKenzie himself said the facts on the RPA pointed to the irresponsible nature of that organization.

But Government was ready to resume dialogue with the RPA whenever the RPA was ready to replace partisan political interests with responsible leadership, Dr McKenzie indicated. (AC)

GUYSUCO MOVES TO ACCELERATE DIVERSIFICATION PROGRAM

Special-Team Approach

Georgetown SUNDAY CHRONICLE in English 11 Jan 87 p 3

[Text] GUYSUCO's Chairman, Directors and other senior managers from Head Office and estates last week met at the Management Training Centre, Ogle for a three-day seminar to discuss the Corporation's five-year plan.

They held indepth discussions in several areas of concern and on strategies for the transformation of the Corporation from a purely sugar manufacturing entity to one that would encompass the production of other crops, and the further development of livestock and aquaculture, a Guysuco release said yesterday.

The Chairman also announced the appointment of a special team that will be responsible for the acceleration of the diversification programme headed by Cde Fritz McLean, Manager Agriculture Research and Development. During the following weeks, briefing sessions would be held on the various locations so that all workers would be fully acquainted in the new thrust pursued by Guysuco, and the need for a broader knowledge base as a result of the diversification drive.

Meanwhile, out-of-crop maintenance is progressing satisfactorily on eight factories. It is likely that at least three factories should commence grinding by week ending January 24, 1987, and the remainder during the following week.

Long-Range Plans

Georgetown SUNDAY CHRONICLE in English 18 Jan 87 p 3

[Text]

The Guyana Sugar Corporation is moving this year to fully launch its diversification programme which will place it on equal footing with its sugar manufacturing sector, a Guysuco release said yesterday.

Chairman, Cde. H.B. Davis,

said that the Corporation will be involved over the next five years in the production of grains including rice, which is already established, corn, sorghum, cow pea and soya bean; in root crops and vegetables including the restarting of the onion

programme, ground provisions, yams and tropicalised Irish potatoes; orchard crops — citrus, coconuts and coffee as well as livestock and aquaculture development.

Already Guysuco has given substance to its dairy programme by the importation of over 200 Holsteins from the U.S.A. with a further 250 expected by April and there will be another new centre at Versailles where 200 acres are being put under Antelope grass. The other centres are

at Rose Hall, Uitvlugt and Liliendaal.

The aquaculture programme is expected to be further enhanced with the introduction of crawfish from Louisiana, U.S.A. The programme which is centred at Bath/Blairmont where there is a hatchery has tilapia, hassar and grass carp in production, while freshwater prawn will be a later addition.

Meanwhile, the first sugar crop is expected to begin later this month and the target has been set at 113,490 tons of sugar.

Investment Program

Georgetown GUYANA CHRONICLE in English 23 Jan 87 pp 4-5

[Text]

THE Guyana Sugar Corporation (GUYSUCO), buoyed by a tremendous improvement of its financial performance and expanding export market opportunities, is investing \$132m in its agricultural diversification programme in 1987.

This year's programme envisages the cultivation of 5 000 acres of food crops, among them onions and tropicalised Irish potatoes and the expansion of its livestock and aquaculture projects.

Five of the corporation's six divisions have been

assigned special responsibility for the diversification programme.

These are the Grain Division, comprising rice, sorghum, corn, cow peas and soya bean; the Livestock Division, comprising dairy cattle, beef herds and sheep and forage legumes; the Root Crop Division, comprising onions, tropicalised Irish potatoes, ground provisions and yams; the Aquaculture Division, comprising polyculture fish, fresh water prawns and

craw fish mainly for export; and the Orchard Crops Division, comprising citrus, coconuts and coffee.

Guysuco Chairman Harold Davis, flanked by senior Guysuco personnel at a Press conference at the Film Centre yesterday afternoon, said the corporation's diversification plan was being accelerated against a backdrop of continuing uncertainty in the marketing of sugar and in view of the advantageous conditions that prevailed for food exports.

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CSO: 3298/142

HOYTE ASSIGNS SIX SPECIFIC TASKS TO PNC GENERAL COUNCIL

Georgetown GUYANA CHRONICLE in English 26 Jan 87 pp 1, 5

[Text] Members of the General Council of the People's National Congress were yesterday charged with carrying out six specific tasks in the immediate future.

The tasks were given them by Party Leader Desmond Hoyte when he delivered part two of his two-part address to the three-day meeting of General Council---the first for the year---which ended at Sophia yesterday.

At the top of the list, is the task of play leading roles in explaining the 1987 Budget proposals to the people. The Budget which has been described as being bold, radical and innovative, was the subject of lengthy discussions during the meeting and Members of Parliament are scheduled to begin debating it in the National Assembly this afternoon.

In carrying out this task, Party members will be expected to be active in refuting many of the wrong interpretations that seem to be abroad.

Some of the other specific tasks given General Council members yesterday include:

- Active participation in a nationwide environment improvement exercise to be carried out in time for Mashramani celebrations next month;

- Active involvement in the physical exercise programme to be carried out nationwide under the co-ordination of Prime Minister Hamilton Green;

- Promoting cultural activities in their respective districts and regions;

- Promoting and popularising indigenous foods and indigenous manufacturing; and

- Stepping up their activities directed at enhancing the welfare of senior citizens, the needy and other disadvantaged citizens.

In his eighty-minute presentation yesterday, Cde Hoyte analysed in some detail the political situation on both the international and domestic fronts and cautioned members of his Party against complacency.

There are still some groupings around capable of spreading disinformation or otherwise creating mischief, he said in his presentation described by chairman of General Council Dr Mohamed Shahabuddeen as masterly and a very original analysis.

He also discussed measures for strengthening the Party.

He reported that during his recent visit to Trinidad and Tobago, he participated in a mini-summit attended by a number of Caricom leaders who were in Port-of-Spain for the formal opening of the Trinidad and Tobago Parliament and the consensus at that meeting was that there was a new mood abroad within Caricom.

There is a great opportunity for Caricom now, he added.

/9274

CSO: 3298/142

HOYTE TELLS YOUNG SOCIALIST MOVEMENT: KEEP PARTY IN OFFICE

Georgetown NEW NATION in English 25 Jan 87 p 2

[Text] Leader of the People's National Congress President Desmond Hoyte has tasked the Young Socialist Movement to help sustain the Party in office, to increase its membership in every region, to provide entertainment programmes and to undertake a greater measure of self-help.

The Movement had just completed three days of programme planning leading to its Sixth Biennial Congress next year and the Comrade Leader was invited by the YSM leadership to help chart the course over the period ahead.

YSM National Chairman, Cde James Bovell-Drakes, explained that the aim of the just-concluded three-day programme was to devise a strategy to attract the greatest number of young people in Guyana at a time when the national economy is striving for growth.

One year ago the Comrade Leader had met with the YSM Executive to discuss the course of action the Movement should adopt. On Sunday when Cde Hoyte met with the YSM leadership he noted that the YSM should proceed along a carefully identified and mapped out path.

Further, the members need to be alert to the political stirrings in the country. About a fortnight ago the youth arm of the United Force was re-suscitated.

With the People's National Congress being a socialist Party the Young Socialist Movement must be socialist. Its programmes must be attractive if it is to attract young people. There must be a planned programme to help these young people develop their skills and educate themselves, the Comrade Leader said to the YSM leadership.

He reminded the meeting that the YSM must be the reservoir of the Party. It must produce people who are capable of replacing the present leadership when the need arises.

The People's National Congress will only remain in office as long as it has the will and the confidence of the people. Cde Desmond Hoyte told the leadership of the Young Socialist Movement Sunday.

He called on the members to understand the ideology of the Party and to recognise that there is always the danger of subversion.

Certain political groupings in the country are in receipt of foreign funding and once such a situation exists there is always the possibility of subversion, he told the YSM leadership.

It is the duty of the YSM to sustain the PNC in office through an organised campaign designed to involve the greatest number of members.

/9274

CSO: 3298/142

NEW, REASSIGNED PERMANENT SECRETARY POSTINGS REPORTED

List of Assignments

Georgetown NEW NATION in English 4 Jan 87 p 8

[Text] As part of the programme of restructuring announced by President Desmond Hoyte, a number of Permanent Secretaries have been reassigned and four Government officers have been appointed to serve as Permanent Secretaries.

Secretary to the Cabinet, Cde Edward Persico, has been appointed Permanent Secretary in the Ministry of Health, Deputy Clerk in the National Assembly Cde Maurice Henry has been appointed Permanent Secretary in the Ministry of Regional Development; Co-ordinator of the Medex Programme in the Ministry of Health Cde Melissa Humphrey has been appointed Permanent Secretary in the Ministry of Medical Education, Environment and Food Police; Chief Labour Officer Cde Oscar Moore has been appointed acting Permanent Secretary in the Ministry of Labour.

Cde Joyce Sinclair, Permanent Secretary in the Public Service Ministry has been given the additional responsibility of Permanent Secretary in the Ministry of Information.

The total appointments and re-assignments are as follows:

--Cde Cedric L. Joseph, C.C.H., Head of the Presidential Secretariat, to be appointed additionally Secretary to the Cabinet;

--Cde Joyce Sinclair, A.A. Public Service Ministry, to be appointed additionally Permanent Secretary, Ministry of Information.

--Cde Emerson Simon, Permanent Secretary, Ministry of National Mobilisation, to be posted to the Ministry of Foreign Affairs;

--Cde Kenneth Naraine, Permanent Secretary, Ministry of Manpower, to be posted as Permanent Secretary, Ministry of Public Utilities;

--Cde Claude Philadelphia, Permanent Secretary, Ministry of Health, to be posted as Permanent Secretary, Ministry of Forestry;

--Cde Edward Persico, Secretary to the Cabinet, to be posed as Permanent Secretary, Ministry of Health;

--Cde Carl Collymore, acting Permanent Secretary, Ministry of Transport, to be confirmed as Permanent Secretary and assigned to the Ministry of Communications and Works;

--Cde Maurice Henry, Deputy Clerk of the National Assembly, to be posted as Permanent Secretary, Ministry of Regional Development;

--Cde Stanley Hamilton, Permanent Secretary, Ministry of Regional Development, to be posted to the Office of the President as Head, Policy Research Inspectorate Department;

--Cde Melissa Humphrey, Co-ordinator of the Medex programme, Ministry of Health to be posted as Permanent Secretary in the newly-established Ministry of Medical Education, Environment and Food Policy;

--Cde Oscar Moore, Chief Labour Officer, to act as Permanent Secretary in the Ministry of Labour;

--Cde Ivor Hartman, Principal Personnel Officer at the Public Service Commission, becomes Deputy Clerk of the National Assembly.

Foreign Ministry Change

Georgetown GUYANA CHRONICLE in English 23 Jan 87 p 1

[Text]

THE Ministry of Foreign Affairs yesterday announced the return of Cde. Noel Sinclair, C.C.H., to take up the post of Permanent Secretary (Policy) within that Ministry.

Ambassador Sinclair, whose career has spanned two decades, will be replaced at the United Nations by High Commissioner to the Eastern Caribbean, Cde. Rudolph Insanally, C.C.H., Cde. Insanally had served previously as Ambassador in Venezuela and Permanent Representative to the E.E.C.

Senior Foreign Service Officer Cde. Donald Abrams

left the country Tuesday, to take up an appointment as Charge d'Affaires in the Guyana Embassy, Suriname.

He replaces the former Ambassador Cde. Christopher R. Jones who is now Permanent Secretary (Administration) within the Ministry of Foreign Affairs.

During 1985, Cde. Abrams was seconded to the Office of the President as Deputy Head of the Department of International / Economic Cooperation and later, acted as Head of that agency.

/9274

CSO 3298/142

BRIEFS

DEBT TO BARBADOS--Bridgetown, Barbados (CANA)--Guyanese and Barbadian businessmen have been working successfully to reduce money owed by Georgetown under the suspended Caricom Multilateral Clearing Facility (CMCF) Barbados High Commissioner Frank Da Silva said last Friday. Da Silva said Guyanese pharmaceuticals had been shipped to Barbados as part of a debt reduction arrangement and projects involving plyboard and fresh fruits are in the pipeline. That programme allows for an expansion where the spare capacity in Guyana can be utilised by Barbadian entrepreneurs who will provide the guarantees necessary for any raw material components to be imported necessary for the production and who will be responsible for one hundred per cent of the production and the marketing of it. Now that is working, he explained. Barbados Prime Minister Errol Barrow said last year that the two countries were pursuing 30 possible joint ventures. According to the latest Barbados Central Bank report the Guyana CMCF debt to Barbados now totals \$7.5 m US from its original \$65m when the facility, used to support intra-regional trade, collapsed in 1983. [Text] [Georgetown GUYANA CHRONICLE in English 27 Jan 87 pp 4-5] /9274

PCD CALL ON HOYTE--The grouping of Minority political parties known as the Patriotic Coalition for Democracy (PCD) has decided to write President Desmond Hoyte asking, among other things, that he set a time frame for negotiating with PCD representatives the question of electoral reforms in Guyana. The decision to write the President, the CHRONICLE understands, was taken at a recent meeting of the group. Reliable sources said that in their letter to the President, they will also raise the question of the devaluation of the Guyana dollar and will complain about the Government's attitude towards debates in the National Assembly. In addition, they will ventilate their views about Guyana's socio-economic problems and refer to territorial claims against Guyana. Meanwhile, a leading member of the PCD, the Working People's Alliance's, Eusi Kwayana, reportedly plans going on a meet-the-people tour. The PCD groups five Minority political parties--the Democratic Labour Movement (DLM) the National Democratic Front (NDF), the People's Democratic Movement (PDM), the People's Progressive Party (PPP), and the Working People's Alliance (WPA). [Text] [Georgetown GUYANA CHRONICLE in English 21 Jan 87 p 1] /9274

WPA QUERIES ON AGRICULTURE--WPA's MP submitted on October 10, 1986 the following questions for the Minister in charge of Agriculture to be answered in the National Assembly: 1. Is the Minister aware that even in the weather conditions prevailing at the end of September 1986 the Ann's Grove/Clonbrook cattle pasture or savannah north of the Lamaha Canal was flooded? 2. Is he aware

that the outlet kokers from this cattle pasture are non-functional? 3. Is he aware that in Ann's Grove/Clonbrook the waterway taking in irrigation water from the Lamaha Canal is overgrown with bush? 4. Is he aware that farmers in Ann's Grove/Clonbrook are under severe burden to find irrigation water for their vegetables? 5. Is he aware that the dam between the cattle pasture and the farmlands is eroded and cannot serve the purpose of holding back water in the rainy season and that this condition threatens the cultivated areas of Ann's Grove/Clonbrook with flooding? 6. Is government prepared to compensate, out of court, farmers who can demonstrate actual loss from flooding? [Text] [Georgetown OPEN WORD in English 12 Jan 87 p 4] /9274

CSO: 3298/142

1987 BUDGET DEFICIT OF 171.5 MILLION LEMPIRAS PROJECTED

Tegucigalpa LA TRIBUNA in Spanish 30 Oct 86 p 6

[Text] A deficit of 171.5 million lempiras is projected by the nation's proposed revenue and spending budget for 1987, which the National Congress began to discuss yesterday.

This is the conclusion that emerges from explanations given to deputies by experts from the Ministry of Finance and Public Credit, who report that anticipated revenue for 1987 totals 1.27 billion, an increase of 149 million over the 1986 figure, which was 1,189,000,000.

The source of this estimated revenue is the different national tax activities. It is estimated that income tax will produce 270 lempiras, sales taxes 340 million and import taxes 335 million.

However, revenue is projected based on assumptions and is subject to change. For example, budget officials indicated that sales taxes could generate 140 million, coffee taxes 69 million and the oil differential 90 million lempiras.

The estimated 1.27 billion in income is a combination of 401.8 million lempiras generated domestically, 142.6 million in foreign credits and 96 million in donations.

Capital revenue is an estimated 641 million lempiras.

Experts admit that the Central Bank is not able to finance domestic capital, since it can only cover 305 million, which will be a point of controversy, inasmuch as the proposal allocates 461 million, or a total of 156 million,

There will also be divergencies in funds from donations and the 71.1 million estimated are not clearly defined.

There is a projected deficit of 171.5 million, inasmuch as revenue that is not completely certain has been taken into account.

Experts also note that programmed investments for 1987 include no new projects, since most investments funds had been committed for years.

11,464

CSO: 3248/84

CGT CONGRESS SCORES GOVERNMENT AS 'WEAK, INCOMPETENT'

Tegucigalpa LA TRIBUNA in Spanish 3 Nov 86 p 8

[Article by Rene Cantarero]

[Excerpts] In a confidential report issued by its recent Ninth Congress, the General Central Organization of Workers (CGT) criticized the current administration of President Jose Azcona as "weak and without leadership," "a paralyzed and incompetent public administration" in which "the vices of the past, such as corruption, partisan politics and the irrational use of the country's resources are obvious."

The report, signed by the former secretary general of the CGT, Felicito Avila, accuses Christian Democratic Deputy Efraim Diaz Arrivillaga of supporting Marxist groups and the United Federation of Honduran Workers (FUTH) of being spokesmen for pro-Sandinists and predicts that the new political parties are doomed to disappear.

Weak Government

The confidential report of the CGT maintains that this is a "weak government without leadership. The public administration is paralyzed. There is no cooperation from the Cabinet and for the most part is incompetent, improvisational, conservative and incoherent."

The report points out the "inability of some officials, a lack of organization and institutionalized corruption."

The government therefore turns out to be paternalistic, with a lack of innovation and long-range vision and consequently, alternatives that would benefit the majority of the population, the report states.

"Consequently, we must remember that our final purposes are not to make mere reforms in the system, but rather, replace it with another that will be fair, solidary and allow participation," Avila said, concluding that "in general, one perceives a rapid deterioration of national values and identity, a stagnation of productive activities and a state of frustration in the Honduran people."

In addition to affirming that the Armed Forces constitute "real power in the country," Avila said that the "defenestration" of General Walter Lopez Reyes was partly due to the signing of the compromise document on 20 May 1985, "considered by the military structure to be an interference in civilian policy."

The CGT also said that a conservative group prevails in the Catholic Church and that it has reduced its connection with the working and peasant sector.

Speaking of the labor confederations, the CGT noted that the "United Federation of Honduran Workers (FUTH), due to the orientation of its main leaders and cadres and its rank and file, identified with the Communist Party, has been splintered and is suffering from an internal struggle that responds to the different factions of the Communist Party."

The FUTH is the spokesman of student, teacher, human rights and other groups that back the pro-Sandinist positions nationally.

At the same time, the National Confederation of Rural Workers (CNTC) stated that it "maintains close relations with the FUTH with the idea of becoming the Single Confederation of City and Rural Workers, a long-range objective planned by Marxist leaders. It receives international support by using the IHDER as a cover, the latter institute being headed by Efraim Diaz Arrivillaga."

"This organization (CNTC) has engaged in actions aimed at destabilizing the penetrating the UNC, using former leaders and current employees of the Christian Democratic Party who respond to the guidelines of the present leaders of that party," the CGT report states.

11,464

CSO: 3248/84

SEAGA AGAIN BARS EARLY ELECTION AS PNP VOWS PROTESTS

Manley Threat

Kingston THE DAILY GLEANER in English 20 Jan 87 p 3

[Text]

Mr. Michael Manley, president of the People's National Party, has threatened protest against the Government as of April, unless the Government announces a date for fresh General Elections by then.

Mr. Manley said that the party did not intend to break any laws, but he knew how to fight without violence. He said he would "only tolerate the current Administration up to the first few days of April."

The PNP leader, who was addressing a meeting in Port Antonio Square, acknowledged "mistakes" he said he had made in the 1970s, but promised not to make them again as he had now acquired "a certain wisdom".

He promised a second television station whenever his party came to power, and that he would call the JLP to sit with him and work out new policy directions for the Government-owned Jamaica Broadcasting Corporation (JBC).

He criticised the recent Government-IMF agreement and, in a specific reaction to the Prime Minister's policy to keep cost of living increases at 7%, he commented: "I want to see him do that".

The meeting was the first of several to be held islandwide drumming up support for the party's slogan: "1987, The Year of Decision", which is aimed at forcing the Government to call General Elections early this year.

Mr. Manley said "we have been very patient as an opposition. Some say: too patient. But I don't think that we were too patient. I know that by 1980 my country was nearly destroyed and we never destroyed it. Other people destroyed it and if I

was to turn round now and use the mass support to destroy it, Jamaica dead. But patience is not forever. A time can come when action must follow".

He said that the two main things which could now be said for Jamaica were: One, that the country was more peaceful, and that was because the PNP was not trying to mash it up.

"Those who try to give the Government the credit for the peace, they are idiots. The credit for the peace is due to us, because we never did to them what they did to us.

"The second thing that they say is that, there is now an atmosphere that will favour Tourism, and those that give that credit to the Government they are idiots, because that credit is due to us. It is our restraint, our supporting Tourism, our refusal to use Tourism as a political football, to help the government. Even to those who are hungry and bitter we have said: 'Cool it: put your country first'.

"What else can they claim: roads, schools, hospitals? They are all worse!"

He said democracy was "a matter of your right...the right of young people to say, 'No, man: I really tired of this damn thing now; time to try something different'. And to know that who come after (as government) going have to remember that

who just leave was removed and, if only for that reason, find a way to be better."

— He said that it had been seven years since the people had a chance to say what they thought about what was going on. "All kinds of excuse have been given, but the excuse run out now. That is why I come here tonight, because my judgment, after all my years, is that the time has come now: 1987 must be the year of decision".

Referring to Prime Minister Seaga, he said: "Now the man going on like some time I think that the man believe that him own Jamaica".

"We have looked at this thing, thought it out very carefully, and in our judgment, when you look at how Jamaica politics run, the biggest thing is every April when they start out the new Budget, saying what going spend on road and so on. When this new Budget start, this government will have gone nearly seven years without the people having a chance to pass a judgment. We do not intend to accept that.

"We have said that if you want January to pass, no fuss, it is the tail-end of a political year. February, no fuss. Even down to March, no fuss. What I simply say is that, the People's National Party will not accept that this government under this leadership have the right to put Jamaica and lock it up for another year again starting April of this year. They don't have that right.

"I am willing to be patient through January, I am willing to be patient through February, I am even willing to be patient through March, I am even willing to be patient through the first few days of April. But if I hear they say that they going claim the right, after July 29 last year, after 57% of the people say 'go' if is me alone going start protesting in April, me alone going go back to what I know 'bout protest, then is me alone, but I am not accepting them continuing."

He said that he would be taking the same message across the island.

"I am not threatening anybody. I love my country. I just say to people: Don't make us have to start protesting. I am not going to break any law. I am not breaking any Constitution. All my life I have been opposed to violence. I have never

used violence, I will never use violence, but there have been other issues I have had to fight. If you go back to JHC, I have a long history and knowledge of how to fight without violence".

Turning to the recent IMF accord, Mr. Manley asked: "What part of it we don't know? What is the time when if anything go wrong, licks is to follow? I know when I look at that is not quite so and what I know is that is better we go change up this Government before the other thing happen.

"The second thing I know about it is that, when I look at it, in the end farmers going to suffer, local manufacturers going suffer, workers going suffer, and we are going to start go back into 1981. The man get up and say cost of living is to go up 7%, and I want see him do that".

On the 10% wage guidelines, he said that since 1984, and including the projections for 1987, the workers would have lost 93% of their spending dollar. The 7% cost of living increase figure was a "face card"; and even with a 7% increase, there would be no gain for the workers.

"I am going to watch and see if the workers of Jamaica are prepared that, while they are told that there is milk and honey running in Jamaica, the ones who are prepared to take the licks and blows are the workers and the farmers. The time has come to get off the backs of the farmers and the workers".

Mr. Manley promised to be wiser if re-elected as Prime Minister.

"Look at all like me. I remember when I started out in '72 I had a whole heap of good ideas in my head and I started with love. I made some mistakes, and I had to learn. But the difference is I will come to you and tell, 'Yes, I made some mistakes'. And, because of that, I know next time I will never make those mistakes again. I will know better what to do.

"I started out with love and guts, I started out with my father's heritage, I started out with years of service to the workers of this country and now I add to all of that a certain wisdom I have gained from experience, and I want you to know I feel ready again. I feel ready again".

Chairman of the meeting was Councillor Hezekiah Molloy, Mayor of Port Antonio. Other speakers included Miss Portia Simpson, Mr. Seymour Mullings and Councillor Ralph Brown, Mayor of Kingston.

PNP Impatience

Kingston THE DAILY GLEANER in English 30 Jan 87 p 3

[Text]

MR. MICHAEL MANLEY, president of the People's National Party, has told the diplomatic community that actions to be taken by the party during its campaign for General Elections would be "firm and positive."

He repeated that his party was not prepared to tolerate any longer the present Government denying the right of the people to renew their mandate or choose other political leadership.

The actions to be taken by the party would be firm and positive, but within the law and as permitted by the Constitution, Mr. Manley told a meeting with members of the diplomatic community at the Jamaica Pegasus Hotel, New Kingston, on Tuesday.

He added that the protests by the party would be organised and controlled to avoid violence, and hoped others would not use them as the

pretext to stimulate disruption and confrontation.

The PNP had been patient, principled and patriotic and still were, and the party's record of conduct as an Opposition was exemplary. If, however, the Government chose to lock the country into a new political year from April by proclaiming its 1987/88 policy initiatives with a Throne Speech and identifying projects and programmes to be implemented through a Budget, the PNP would be forced — though sadly — to mount very serious, but disciplined protests and demonstrations, the PNP President said.

Mr. Manley said the party's elections demand was based on the democratic understanding within the framework of the Constitution which gave Jamaicans the inalienable right to choose their Government every five years.

PNP Disavowal of Violence

Kingston THE DAILY GLEANER in English 31 Jan 87 p 2

[Text]

PNP PRESIDENT Michael Manley on Monday told the leadership of the Private Sector that the Party's insistence that General Elections be held and its planned programme of peaceful protest if there is a refusal to call these elections by April, was not designed to provoke violent confrontation.

The PNP had no strategy for economic and social disruption, as the Party did not wish to inherit an economy which was totally destroyed, he emphasized.

Mr. Manley gave his assurance when he met with private sector leaders at lunch at the Terra Nova Hotel, according to a PNP release.

The PNP President pointed out that the PNP's call for elections was to restore full democracy to the political process.

This state had been interrupted in 1983 when Prime Minister Seaga called elections in breach of solemn agreements made between the JLP and PNP and confirmed by Mr. Seaga in Parliament, and which the

PNP had accepted in absolute faith based on its respect for the integrity of agreements and Parliamentary assurances, the release said.

The PNP, he stated, was opposed to economic sabotage, violent revolution, or indeed any form of political violence. He stressed that the Party had deliberately refrained from considering any strategy to organize public protests during the winter tourist season, as tourism was one of the major production pillars in the economy.

Mr. Manley also discussed the IMF Agreement with the private sector leadership.

The Private Sector was represented at the luncheon meeting by Mr. Peter Thwaites, president of the PSQJ, Mr. Sameer Younis, president of the JCC, Mr. Lancelles Chin, 1st vice president of the JEA, Mr. Errol Dunkley, president of the SBA, Mr. Winston Dyer, president of the Banker's Association, Mr. Gordon "Butch" Stewart, president of the JHTA, and Mr. Don Banks, chairman of the Stock Exchange.

With Mr. Manley were PNP Vice Presidents Seymour Mullings, Portia Simpson and Bobby Pickersgill, and spokesmen for Foreign Affairs, Industry and Commerce and Foreign Investment, Messrs. David Coore, Q.C., Claude Clarke, the Hon. Alfred Rattray, O.J., respectively.

Also present were Mr. Delroy Lindsay, executive director of the PSQJ, and Mr. Lerol Lorde, executive director of the JMA.

Seaga on Election Issue

Kingston THE DAILY GLEANER in English 3 Feb 87 p 1

[Text]

THE JAMAICAN economy is on a "positive move" and there is no need for early elections, Prime Minister the Rt. Hon. Edward Seaga said on Sunday.

He called on Jamaicans to challenge the People's National Party as to the motive behind the "so-called peaceful demonstrations" to force the Jamaica Labour Party Administration to call early General Elections.

He charged that the PNP was planning to turn Jamaica from a "positive economic agenda to a negative political agenda".

Mr. Seaga, who was addressing a meeting of the JLP's Central Executive at the party headquarters in Kingston, questioned the true motive of the PNP in holding a series of meetings and planned demonstrations. He accused the party of promoting a strategy to create "political tension" and damage the tourist industry.

"The economy is on a positive move; the streets are clean; the atmosphere is free of ideological and political tension. In the face of these significant positives which are supported by most interest groups, there is no need for early elections," he said.

A news release issued from the party's headquarters yesterday quoted Mr. Seaga as saying that the period of stability and growth now taking place in the economy was as a result of the "sacrifices and belt-tightening" of the past six years by the Jamaican people. He added:

"Just at the time when they (Jamaicans) are about to reap the fruits of their sacrifices, the PNP is planning to turn the country from a positive economic agenda to a negative political agenda which is based on the PNP's misguided belief that elections should be called now".

Mr. Seaga also said: "We are not impressed by the argument that the demonstrations are intended to be peaceful and that the PNP has conducted its activities on a peaceful basis. We have had ugly demonstrations in the last three years, one of which — the gas price demonstrations — wrecked tourism for one and a half years before we could bring it back to normal".

He said it could only be concluded that anyone who wanted to promote demonstrations "at this delicate stage," knowing the full details of the agreement recently concluded with the IMF, which was highly dependent upon maintaining strong tourism earnings and keeping inflation no higher than 7%, must have in mind the motive of damaging the economy so as to frustrate the IMF agreement to cause Government to inflict devaluation upon the people.

The Prime Minister said the IMF agreement represented a significant milestone in the structural adjustment of the economy which will ensure further positive growth while reducing inflation, and at the same time keeping wages well above the rate of inflation.

/13046

CSO: 3298/137

'HISTORIC' ACCORD TO PROMOTE INVESTMENT SIGNED WITH UK

Kingston THE DAILY GLEANER in English 21 Jan 87 p 1

[Text]

AN HISTORIC bilateral agreement between Jamaica and the United Kingdom for the promotion and protection of investments was signed at the Ministry of Foreign Affairs, New Kingston, yesterday.

Signing for Jamaica was Deputy Prime Minister and Minister of Foreign Affairs, Trade and Industry, the Rt. Hon. Hugh Shearer, and on behalf of the British Government, the Rt. Hon. Baroness Young, Minister of State in the Foreign and Commonwealth Office in London.

Mr. Shearer said that under the agreement there should be more U.K. investments in Jamaica, and joint ventures here with U.K. entrepreneurs. It was a model that could be the basis of co-operation with other friendly countries.

The agreement was reached after five years of negotiations and was the first agreement of the kind Jamaica had concluded with any country. Jamaica was the first Commonwealth country with which the U.K. had concluded this type of agreement.

Mr. Shearer said the agreement would strengthen the relationship between the U.K. and Jamaica.

Baroness Young said she was delighted to sign this important agreement to promote investments in Jamaica.

She said what Governments could do was help companies and individuals by creating a good investment climate, and this was what the agreement was all about. Both Britons and Jamaicans would benefit, she said.

She hoped the signing of the agreement would strengthen "our relationship and open the way for more investments in both our countries."

A Ministry of Foreign Affairs source said afterwards that the signing of the agreement provided the legal framework for the promotion and protection of investments between both countries.

It was expected to be ratified shortly, he said.

/13046

CSO: 3298/137

PNP SETS OUT ECONOMIC VIEWS, AGAIN SCORES IMF ACCORD

Problems for Farmers

Kingston THE DAILY GLEANER in English 19 Jan 87 p 3

[Text]

REMOVAL of the Ministerial remission of import duty on vehicles for use in the agricultural sector, has been described as "a disastrous setback to the already hard-pressed farmers of the country" by the PNP's spokesman on Agriculture, Mr. Horace Clarke.

At the same time, concern has been expressed by a number of representatives of commodity associations that this aspect of the IMF agreement, concluded last week between that body and Prime Minister Edward Seaga, may have dealt a scathing blow to agricultural development. Removal of the Ministerial remission meant that tractors, pick-ups, ploughs, haulage vehicles and other motorised units used in agriculture will not be able to enter the island, duty-free.

In a statement which he issued on Friday, Mr. Clarke said that the Prime Minister's self-confessed ignorance of this aspect of the new IMF agreement, was a clear indication of a limited understanding of the sector and its needs. He said it was already difficult for the average farmer to buy basic necessities, even with the duty concession. When this concession was removed, many farmers would be forced to join the steady trek to the higgler trade.

The PNP spokesman on Agriculture also expressed astonishment at the new provision under which sugar manufacturers would not benefit from the 7.5 percent rebate to exporters to Third Countries. He described this as another manifestation of the Government's bias against the sugar industry.

Mr. Clarke called on the Minister of Agriculture to state publicly whether he supported these measures and whether he was privy to them before their announcement.

Absence of National Plan

Kingston THE DAILY GLEANER in English 29 Jan 87 p 3

[Text]

THE ABSENCE of a national plan has served as a major impediment to the process of Jamaica's development over the past six years, Chairman of the People's National Party, Mr. P.J. Patterson, Q.C., said on Tuesday night.

He promised that a future PNP Government would, within one year in office, present a comprehensive national development five-year plan for the country.

Mr. Patterson, who said he had been asked by Mr. Michael Manley, President of the PNP, to do the ground work and prepare the foundation for a proposed Ministry — Production, Planning and Development — to be introduced by a future PNP regime, was speaking at the Kiwanis Club of Eastern Kingston and Port Royal special supper meeting at the Shish Kebab Restaurant, New Kingston.

The setting up of a national plan for Jamaica, he said, would provide a framework which would encourage co-operation, commitment, consistency and consensus.

Noting that the PNP in the 1970's prepared a draft five-year plan which was overtaken by the 1980 General Elections, he said the current JLP Administration had spent seven years in office and "has still failed to produce any semblance of a national plan".

He added: "They have followed a hodge-podge of policies, blindly pursuing inapplicable economic theories in some instances, chopping and changing here and there, deviating down one closed alley after another, forever turning a corner that seems to have no end and teetering from one crisis to another".

The country, Mr. Patterson said, could not pursue a plan which was "locked up in the brains of any one individual, however astute, sincere and hard-working" that person may be.

"We are convinced that, to move forward as a nation, there is urgent need for a realistic plan which is properly formulated, effectively communicated and systematically formulated," declared the PNP chairman.

"Only so can we ensure a proper harmonization of action by the Government, the various sectors in operations, lending institutions, entrepreneurs — whether local or foreign —, of organized labour and our citizenry at large.

"It is our view that the absence of a national plan has served as a major impediment to the process of development over the past six years".

Mr. Patterson said that the lack of the plan had resulted in "faulty analysis" which was used to guide decision-making in the "early days" of the JLP regime "and produced constant and continuing switches in policy which bewilder us all as changes are effected in response to predictable crises".

Giving examples to support his claim, the PNP chairman said some targets were set for the Extended Fund Facility under the International Monetary Fund in 1981. It projected growth levels in virtually all economic sectors, but these projections were not met.

He said sugar had been projected to move from 212,000 tonnes to 330,000 tonnes, "and they then proceeded to take lands suitable for growing sugar out of sugar and to plant winter vegetables at Spring Plain".

"We are committed as a party within one year in office to present a comprehensive national five-year plan," Mr. Patterson said, explaining that one year would be needed as the party wanted the plan "to be the product of consultation with the people and a living example of the participatory model to which we are truly committed".

Economic Policy Statement

Kingston THE DAILY GLEANER in English 31 Jan 87 p 26

[Text]

POLICY measures to stimulate economic growth, based on increased production, if a People's National Party Government came to power, were outlined by Chairman of the People's National Party (PNP), and spokesman on Production, Development and Planning, Mr. P. J. Patterson, on Thursday.

He was speaking at the PNP's People's Forum at the Wyndham Hotel, New Kingston.

Theme of the forum was "1987 — The Year of Decision".

Mr. Patterson said the PNP's eight-and-a-half years in office and the six years of the Seaga Administration, had provided the PNP with enough lessons of what could work, and what could not, in stimulating economic growth based on increased production.

Firstly, there had to be dialogue between Government, the private sector, unions, and the workers, to indicate the resource constraints facing the country, and to identify realistic goals, he said. Although all would take part, the Government must take the lead, in the form of the National Planning Council. Mr Patterson said, adding that all were expected to participate through regional bodies and community councils.

Mr. Patterson said Government's policies must give clear signals, and tangible evidence that production is favoured over trading in such areas as access to credit, access to foreign exchange and infrastructure investment.

Also, a PNP Administration, in regard to domestic agriculture, would encourage and support: increased food supply and reduce dependence; save foreign exchange; provide the basis for agro-industry and stabilise rural areas.

Concerning the manufacturing sector, there would be a detailed examination, sub-sector by sub-sector, to ascertain which ones could become competitive in the short to medium term, he said. In such cases, support would be provided to assist in that development.

Mr. Patterson continued: "As regards operations which display no sign of increased efficiency, and

which survive only because of protection, decision must be made on the basis of whether jobs provided are worth the national subsidy".

Mr. Patterson said that under a PNP Government net earners or savers of foreign exchange would be given priority treatment.

Third World countries exporters would be encouraged and the revival of CARICOM was high on the PNP's list of priorities. He said the country must accept that there was a foreign exchange shortage. He said in dealing with the question of foreign exchange, devaluation was not the answer. The country would have to accept that the only realistic option was to have selective tariff barriers, and to ban certain items.

This implied a licensing regime but the PNP had no intention to return to the previous "Trade Board" operations.

Mr. Patterson said the PNP would embark on a phased programme to restore basic social services, for all the society, otherwise everything was pointless.

He said that the Seaga Government had no credibility, had no mandate, had no policies or plans adequate to deal with the economic problems besetting the nation.

Mr. Patterson said the PNP was demanding that the people of Jamaica be allowed to exercise their democratic rights (to vote in an early General Election).

Mr. Patterson also asked where the \$90.27-million got from shares on the divestment of the National Commercial Bank had gone and, whether Marc Rich, who he said was a fugitive from United States justice, had cornered the Alcoa (Clarendon Alumina Plant) production in 1985 and 1986.

The PNP Chairman also asked whether a large portion of future earnings from the sector up to about 1991 had already been spent because of loans or advances made. These were questions to be answered, and if they were not, time would tell, he said.

In regard to the recent IMF agreement, Mr. Patterson said: "Mr. Seaga has gambled with the nation's future, in the hope of recovering lost political ground. He has

negotiated a programme that will damage important areas of the productive sector; widen the trade deficit; require budgetary and fiscal restraints that reduce further the basic social services; remove any foreseeable prospects of economic growth; reduce income and the standard of living in real terms of those presently employed, and run the risk of adding to the mountain of unemployment."

Mr. Patterson charged that the IMF was "lending us money, so as to pay our existing obligations to them and temporarily stave off default, and it is not providing a base for future expansion."

/13046

CSO: 3298/137

BANK OFFICIAL CITES STEADY DECLINE IN TRADE DEFICIT

Kingston THE SUNDAY GLEANER in English 1 Feb 87 pp 1A, 2A

[Text]

BANK OF JAMAICA Governor, Dr. Headley Brown, told a gathering of private sector executives, members of the public sector and the academic field yesterday that Jamaica's balance of payments current account deficit had steadily improved from a level of US\$460.6 million in 1982/83 to US\$259.5 million in 1985/86 and was projected to decline further to US\$123 million in 1986/87.

Translated into percentages of GDP, he said that this deficit had declined from 23.9 percent in 1982/83 to 13.1 percent in 1985/86 and was forecast to decline to 4.7 percent in 1986/87.

Challenge

With respect to the fiscal accounts, the BOJ Governor said that the Central Government's deficit/GDP ratio fell from 17 percent in 1981/82 to 5.2 percent in 1985/86, while the overall public sector deficit/GDP ratio fell from 18.9 percent to 13.6 percent over the same period and was expected to decline further to 6.5 percent in 1986/87.

Dr. Brown was addressing the retreat luncheon of the executive of the Private Sector Organization of Jamaica (PSOJ) on Saturday at the Jamaica Conference Centre, downtown, Kingston.

He told the medium-sized gathering of businessmen and academicians that the essential challenge of the Jamaican economy over the medium term was that of restoring

the balance of payments viability in the context of real growth, stable inflation levels and improved welfare for the people. It was against the background of this objective that any assessment of Jamaica's current position and prospects should take place.

In light of the current economic climate and BOJ projections, Dr. Brown said that this afforded "significant challenges to the private sector to expand investment, increase economic activity and ensure the realization of our export targets".

He said that whereas there was an immediate focus and challenge to successfully manage the 1987/88 standby programme, progress in the next 15 months would be to no avail if the business sector did not gear itself to "take advantage of the rich potential of the current environment and the challenge of the medium term".

Mixed prospect

Dr. Brown said, however, that the external environment indicated a mixed prospect, which, he suggested, could adversely affect the domestic economy. Oil, for example, though significantly lower than the average price per barrel of US\$26 up to 1985/86, indicated an upward trend in recent months.

Also, the growing protectionism of our trading partners, he said, and the likelihood that the United States would not sustain its ever increasing trade deficit, constituted constraints. On the other hand the continued decline in international

interest rates and the sustained viability of Jamaica's marketing strategy for bauxite/alumina, were plus factors for the economy.

He said that this mixture of domestic and external factors, implied a medium-term strategy whereby demand management was to be linked to growth in productive capacity, concurrent with continued efforts to overhaul the economy with an increased orientation towards exports.

On the basis of this strategy, Dr. Brown said current estimates were that on the basis of an increase in the investment/GDP ratio from its level of 17 percent to 20 percent, real growth of a per annum average of 2-3 percent was sustainable.

This growth, he said, was expected in the context of a further reduction in the current account deficit/GDP ratio from its 1986/87 level of 4.7 percent to a range of 2-3 percent. He said this improvement was based primarily on the targeted bauxite/alumina and service sector performances.

He further estimated a reduction in the overall public sector deficit to

approximately 2 percent of GDP by 1989/90. This, he said, was consequent on the forecasted improved performance of public enterprises, given the ongoing "efficiency overhaul" in progress under the auspices of the World Bank, and further "efficiencies" targeted in Central Government performance. He also estimated inflation, as measured by the GPI, averaging levels of 7 percent, based on a containment of domestic cost increases.

Dr. Brown reiterated that the viability of the medium term programme hinged critically on the private sector's response to the challenges. Private investment, he said, needed to grow appreciably over the medium term.

He said that together, the privatization strategy and the existing potential of the stock market as a means of financing, provided a good basis for increased investment and production. "The demands of the private sector has now been met for the most part," he told the PSQJ executives, "and the ball is now firmly in your court".

/13046

CSO: 3298/137

\$51.6-MILLION IADB LOAN TO BE USED FOR RURAL PROJECTS

Kingston THE DAILY GLEANER in English 29 Jan 87 pp 1, 3

[Text] A total of US\$51.6 million has been earmarked by the Inter-American Development Bank for loan assistance to small and medium farmers and to rural communities across the island for projects already identified by the Government.

Information about the IADB's financial support of Agriculture and other areas of the Jamaican economy, was given yesterday by the Bank's representative in this island, Mr. Alberto Quevedo, at a press briefing at the Terra Noval Hotel, in Kingston. Mr. Quevedo was supported by the Deputy Representative of IADB, Mr. Francisco Navas.

He said that, of the US\$51.6 million made available to Agriculture and agriculture-related projects, US\$10 million has been earmarked for the Agricultural Credit Bank for on-lending to local small farmers for projects which they are carrying out on their farms. In addition, a sum of US\$16.2 million is also earmarked for the ACB to lend to medium-sized farmers to carry out development on the land.

The third rural project to which the IADB has made loan finance available is the Mandeville Potable Water Supply Scheme. A loan of US\$10.8 million has been made to that scheme. While this is not direct loan assistance to Agriculture, improvement of the Mandeville Water Supply is vital to the development of the rural districts surrounding the town and, also, of the town itself, which has always suffered from an acute shortage of water for domestic and commercial purposes.

The other rural project for which the IADB has made loan funding available, is rural roads. A loan of US\$14.6 million has been made available for Rural Roads. As with the Mandeville Water Supply Scheme, this project is intended to improve rural roads and thereby enable small and medium farmers to get their products out to market.

Mr. Quevedo said that, altogether, ten loans for a sum of US\$510 million were in the pipeline for financing a wide range of projects. Already, the IADB had disbursed US\$400 million. During last year, the bank disbursed loan funds to the tune of US\$50 million; and the outlook for this year, was in the region of US\$62 million.

Projects on which the IADB is collaborating with government agencies were listed by Mr. Quevedo as follows:

West Kingston Re-Development Project -- total loan value US\$22 million -- project being undertaken through the Urban Development Corporation;

loan to the National development Bank for developing industry and tourism, of a total value of US\$15 million;

Mandeville Potable Water Supply Scheme -- total loan value US\$10.8 million;

Industrial Rehabilitation Programme I -- total loan value US\$30 million;

Industrial Rehabilitation Programme II -- total loan value US\$40 million;

Cement Plant Expansion and Conversion -- total loan value US\$57.2 million;

Agricultural Credit Bank loan to finance development of local small farmers -- total loan value US\$10 million;

Township Development Project through the Urban Development Corporation -- total loan value US\$16.4 million;

Development of Primary Education -- total loan value of US\$45.8 million;

Rural Roads Programme -- total loan value of US\$14.6 million;

Pre-investment Fund -- total loan value of US\$5.4 million;

Small Projects -- total loan value of US\$1.2 million;

Technical Corporation -- US\$3.2 million.

Stating that at the heart of the Bank's loan assistance programme was the development of people, Mr. Quevedo said that last year, a new, supplementary body, the Inter-American Investment Corporation, was established "to promote economic development of regional member countries through encouragement of small and medium-scale private enterprise.

The Corporation is targeted in such a way as to supplement the activities of the IADB. He said the second meeting of the Corporation was due to be held in Miami in March of this year, at the same time as the shareholders of the IADB would be meeting. This was being done in order to complete arrangements for the functioning of the new institution, which would start operating during this year.

/13046

CSO: 3298/137

BRIEFS

FOREIGN BUDGET ASSISTANCE--The external support required to close the \$131 million financing gap for the 1987/88 budget has been assured, Prime Minister Edward Seaga said yesterday. According to a Jampress release from Jamaica House, Mr. Seaga returned to the island from Washington on Wednesday. He said that the response of the bilateral and multi-lateral financial agencies to Jamaica's presentation of the country's medium-term economic programme at the Caribbean Group for Co-operation in Economic Development (CGCED) meeting in Washington on Wednesday was very positive. "There was endorsement and satisfaction expressed at the turnaround in the Jamaican economy last year, and the support required to close the financing gap of \$131 million for the 1987/88 Budget from bilateral and multi-lateral agencies was positively indicated," the Prime Minister said. He said "this support for Jamaica's financial programme is one important element of required external support." The other elements, he said, were the Paris Club and commercial bank refinancing programmes. The Prime Minister said "these are programmes for March when I make the Jamaican presentation to the Paris Club and finalise arrangements with the commercial banks." [Text] [Kingston THE DAILY GLEANER in English 30 Jan 87 p 1] /13046

CSO: 3298/137

OPPOSITION EXPLAINS RESISTANCE TO ELECTORAL CODE CHANGES

Mexico City LA NACION in Spanish 15 Jan 87 pp 22-23

[Statement entitled "No to the Antidemocratic Electoral Code," dated 17 Dec 86, Democratic Party, Revolutionary Workers Party, and Mexican Workers Party Chamber of Deputies members; for related document, see JPRS LATIN AMERICA REPORT of 7 Nov 86 (JPRS-LAM-105), pp 98-102]

[Text] The legal process of approving the reforms that provide the groundwork on which federal and upper and lower house elections are to be held is about to conclude. On the same date as the president of the republic submitted his proposed constitutional reforms to the Congress of the Union, the undersigned political parties presented an alternative proposal on the same subject.

We proposed that the constitution guarantee real and unrestricted respect for the vote through the active participation of parties and citizens in the preparation, execution and monitoring of the electoral process.

We proposed to do away completely with the illegitimate control that the government and its party, PRI, have exercised over elections for almost 60 years, as this is the cause of the severe deterioration and the by now unconcealable crisis in the Mexican electoral system.

We proposed a proportional composition for the federal chambers, so that each political party would be represented there in accordance with the free and respected votes that the citizenry cast for them.

We proposed opening the Senate to all political currents in Mexico. We called for the democratic composition of the Federal Electoral Commission (CFE) and the Federal Electoral Tribunal. All of this had a common goal: to move forward with the political democratization of our homeland, to make elections a forum in which voters could genuinely compare and then choose among the country's various political philosophies, and to guarantee respect for the vote.

Our democratic proposal does not stop with elections. Although there are many differences between the political forces that have signed this declaration, we all agree that without electoral democracy, without respect for the votes of

the citizenry, without clean and credible elections, society will not be able to move forward with these democratic tasks.

We want democracy to pervade our entire social and political life. Democracy in the factories, in the unions, in the ejido and in the peasant organizations, in the schools and in the barrios and colonias [urban communities]. It is on this basis that we Mexicans can address and resolve our differences while respecting the plurality and diversity of thought and action.

The president has submitted a proposal for a new federal electoral code to Congress. All of our congressional groups have made dozens of proposals to do away with the antidemocratic aspects of the chief executive's proposal. After several discussions the PRI deputies accepted several of our proposals that did not alter the general thrust of the presidential initiative.

The imminent passage of the Federal Electoral Code, on which debate begins today in the full session of the Chamber of Deputies, will confirm a political event of unquestionable significance: the constitutional reforms and the new Electoral Code will be the work of the government and a single party; they enjoy neither the support of nor a consensus among independent political forces.

The following are our main disagreements with the president's bill:

—The draft Electoral Code submitted by President De la Madrid retains most of the antidemocratic provisions of the existing electoral law, provisions that have served to guarantee government and PRI control over elections to the detriment of opposition political organizations and the citizenry. All Mexicans are aware of the great many irregularities that characterize elections in Mexico. The electoral fraud, the illegal use of government resources by PRI, and the obstacles of every sort that are placed in the way of opposition parties and dissenting citizens have wound up widely discrediting elections, which ignore the will of the people, and encouraging an increasing number of Mexicans to stay away from the polls.

—The draft code continues to give the government and its party absolute control over the main electoral body, the Federal Electoral Commission. In fact, the last-minute amendment introduced by the PRI delegation heightens the body's antidemocratic nature by giving PRI the overwhelming majority of the votes on the CFE. This amendment is, in fact, a flagrant violation of the recently approved and enacted constitutional reform. Practically all of our parties condemn this antidemocratic provision.

—The Electoral Code hands over control of the electoral process to the interior secretary, who will enjoy practically unlimited powers to decide essential aspects of elections. Such powers range from the administration of public funds and to the appointment of electoral officials at every level, including the citizens who chair the polling place boards. This control encompasses all electoral bodies. The interior secretary will appoint the chairmen and secretaries of the local commissions and of the district committees, who in turn will appoint the polling place officials. This

provision is a serious backward step, inasmuch as it limits the random appointment system that the law currently calls for.

In addition, the interior secretary will retain control over the National Registry of Voters. Although the parties will play a larger role in the bodies that monitor the registry, it will remain under the government; thus, opposition parties and the citizenry will remain justifiably mistrustful of the legitimacy of the list of voters.

--Without any justification whatsoever, the Electoral Code abolishes the system of registration contingent on election results, which some congressional groups had asked be retained. This makes it impossible for new parties to run, which in practice infringes on the constitutional guarantee of association and reinforces government control over the registration of new parties.

--The Electoral Code restricts the right of parties to form coalitions for electoral purposes. Although the PRI delegation agreed to amend the requirements for forming electoral coalitions, the code retains provisions that impair the freedom of parties and hinder their joint participation in elections.

The president's proposal calls for the creation of a federal electoral tribunal, which embodies a longstanding demand of the opposition parties. Nevertheless, the government has been careful to retain absolute control over the tribunal, inasmuch as its members will be appointed by a majority vote of the Chamber of Deputies; moreover, it leaves the affected parties without the right to a hearing. Thus, PRI will decide who sits on the tribunal, whereas the democratic procedure would be for the parties to propose their choices and then draw lots for seats on the tribunal.

Furthermore, the jurisdiction of the tribunal will be severely restricted, inasmuch as the Electoral Code may revoke a tribunal decision to annul an election. Thus, in the final accounting PRI, through its so-called deputies, will still decide on the proposals of its opponents.

The Electoral Code that the president has proposed retains the series of provisions that have so far made possible and facilitated PRI fraud. The involvement of opposition parties and the citizenry in the execution and monitoring of elections is still subject to many restrictions, and the government officials who supervise the process retain abusive, discretionary powers.

For all these reasons, the congressional groups that have signed this declaration feel that the Federal Electoral Code does not represent a step forward in the democratization of Mexico. On the contrary, it is designed to make it impossible for the opposition forces that are today in the minority from becoming the majority through the vote of the people. Most seriously, however, it strengthens the system that makes it possible to disregard the vote and flout the will of the people, thus turning a deaf ear to the citizenry's widespread demand for democracy.

The government is placing its own interests and those of its party above the democratization of Mexico.

We reiterate our proposals that elections be controlled and monitored by parties and citizens.

That government resources earmarked for parties be allocated and employed in accordance with standards that will insure total openness and control.

That electoral bodies at every level be formed democratically and by lots.

That the Federal Electoral Tribunal really be an impartial, credible and respected body.

In short, we propose an electoral system that guarantees respect for the vote and thus represents a step forward in Mexico's democratization.

The National Action, Unified Socialist, Mexican Democratic, Mexican Workers and Revolutionary Workers parties voice our opposition to the president's bill and reaffirm our commitment to continue adhering to democratic procedures and promoting unrestricted respect for the vote of the citizenry.

We call on all citizens to defend the sort of honest elections that the government and its party persist in denying us.

Mexico, DF, 17 December 1986

Congressional Group of the National Action Party, Deputy Jesus Gonzalez Schmal, coordinator; Congressional Group of the Unified Socialist Party of Mexico, Deputy Arnoldo Martinez Verdugo, coordinator; Congressional Bloc of the Mexican Democratic Party, Deputy Antonio Monsivais Ramirez, coordinator, Congressional Bloc of the Revolutionary Workers Party, Deputy Pedro J. Penaloza, coordinator; Congressional Group of the Mexican Workers Party, Deputy Eduardo Valle, coordinator.

(Read by Revolutionary Workers Party Deputy Pedro Penaloza at the opening of the Thursday 18 December session)

8743

CSO: 3248/182

THEOLOGICAL STUDY EMPHASIZES SOCIAL MISSION OF CHURCH

Mexico City UNOMASUNO in Spanish 2 Jan 87 pp 1, 9

[Article by Maribel Gutierrez Moreno]

[Text] The church is at a crossroads in Mexico, because the current crisis in the country is forcing it to defend the interests of the poor and to confront the government head on. The danger is that it will upset the balance that it has achieved with the government in recent years and usher in a new period of conflict with officialdom.

The Center for Theological Reflection (CRT) made this comment in a study on the significance of the evangelization of domestic politics at the current juncture. In the study the center offers a series of proposals to open a dialogue among the church hierarchy, members of religious orders and Christians in general.

In the study the group of theologians and social scientists call on these sectors to see evangelization in Mexico as directly connected with social justice and grassroots democracy. They emphasize that what needs to be evangelized in the country today is an unjust socioeconomic system that is being maintained by an increasingly antidemocratic regime.

A Christian's mission in the area of social justice, the CRT contends, is to look critically, from the perspective of the poor, at a series of economic policies of the current regime that are simply selling the nation to foreigners and enhancing the privileges of an economic elite tied to transnational capital, to the detriment of the nation's integrity and the oppressed masses.

Moreover, it asserts, achieving grassroots democracy in Mexico means going beyond mere formality and speaking out against the mechanisms whereby what is called "the government of the people becomes, in practice, a system that accords privileges to economic and political elites, that makes the people suffer severe privations and that is utilized to legitimize the ascendancy of a minority."

Evangelical activity in politics also consists of the presence of Christians and of the church in the struggles for freedom of expression, petition and

criticism, for freedom of the press and of self-organization, the right to demonstrate and for individual guarantees and democratic liberties for all Mexicans. A struggle for a modicum of democracy and social justice for all people, the center says, must lead to a forthright confrontation with the holders of wealth and power; thus, under current circumstances, this struggle is part of the challenge of evangelization.

The CRT theologians add that the crossroads at which the Mexican church finds itself today is vital for its unity and that first the church must evangelize from within so that it can undergo an indispensable conversion and make common cause, in its totality, with the poor and take up their perspective and cause.

They explain that after a half-century of troubled relations with the State, the church has indeed achieved an acknowledged social space and relations that while not always smooth reflect mutual respect and cooperation. By dint of pressure, negotiation and concessions, the clergy has broadened its maneuvering room and consolidated a modus vivendi within an officially lay, Jacobinic State.

Nevertheless, the CRT contends, Mexico's current crisis, which is hurting mainly the poor, who are in the majority, and the commitments that stem from the Gospel, the Second Vatican Council and the Latin American Bishops Conferences in Medellin and Puebla, today require the church to echo the cries of the exploited segments of society and to confront the government, even at the risk of returning to a critical situation.

The theologians assert that a silent member of the clergy can hardly fulfill his evangelizing mission. Therefore, church pastors cannot help but speak out on the current ways in which political power is exercised because they affect the poor and society at large.

8743

CSO: 3248/182

MEXICO

BRIEFS

COMPTROLLER GENERAL'S REPLACEMENT NAMED--Mexico City, 6 February (NOTIMEX)--
Deputy Comptroller General Ignacio Pichardo Pagaza was appointed today
comptroller general replacing Francisco Rojas Gutierrez, who was named Pemex
director. [Text] [Mexico City NOTIMEX in Spanish 2018 GMT 6 Feb 87 FL]
/12913

CSO: 3248/183

STERNER MEASURES CALLED FOR AGAINST 'PROFITEERS'

Part of 'Psychological War'

Managua EL NUEVO DIARIO in Spanish 17 Jan 87 p 8

[Text] Profiteering is not a spontaneous upshot of production problems. It is one of the counterrevolution's coercive actions of psychological warfare to destabilize the revolution economically.

This is psychologist Jose Angel Duarte's interpretation in his analysis of psychological warfare in the economic sphere. He added that those who are behind profiteering are trying to foster negative attitudes such as mistrust, insecurity and disrespect for the revolution.

"Profiteering merchants, whether legal or illegal, set the tone by lying or exaggerating about prices and supplies. They themselves start rumors, which are then unconsciously picked up by various sectors, to generate violent, aggressive, uncontrolled states of mind, for the purpose of impelling low-income segments of society to take specific actions against the revolution, against the government and against its institutions," he asserted.

He said that profiteering is the spearhead of the counterrevolution in the economic sphere, with a clearly political end.

The actions that they would like low-income groups to take against the revolution could include mass protests, the destruction of government and private property, and attacks on sectors that are identified with revolutionary bodies and institutions.

They try to provoke very low morale among the people who, in defending the revolution and production, are victimized by profiteers, and seek to lower the morale of the workers as well.

As a result, they want to lower efficiency on the job and undermine the willingness of workers to engage in activities that strengthen our defenses.

For example, he noted, a man with low morale would have serious problems grabbing a rifle and heading towards the firing line.

Goals

Psychological warfare is designed to neutralize and annihilate the enemy. Its target is certain segments of society (the case of "the missing children who were carved up," profiteering).

He indicated that private groups must be financing sectors that consciously profiteer to worsen the supply and distribution problem.

It is not unusual for merchants to be urged to make demands on the government. The profiteers undoubtedly have "godfathers," because after the authorities shut down illegal profiteering merchants, they spring up elsewhere with even better supplies.

Helped by Legal Mechanisms

In Duarte's view, the legal mechanisms currently in place are of no help to either the people or the authorities in controlling profiteers. Rather, they feel protected by such laws, which are ineffective and need to be amended. Furthermore, these laws have not been thoroughly enforced.

He suggested that a new, stronger and more political law is needed, because the objective of profiteering is political.

"Respect for and enforcement of the existing constitution does not mean promoting chaos and disorder in a country, especially when it is under attack," he underscored.

"Moreover, profiteers are sure that they have the backing of organized international businessmen, who are not sympathetic towards the revolution. Thus, conscious profiteers are the spearhead of the counterrevolution and fulfill the mission of discrediting the revolution," he asserted.

He indicated that there are two major aspects to psychological warfare: formal and informal propaganda. Formal propaganda consists of political communiques and message; informal propaganda means rumors and gossip.

There is also coercive action, such as sabotage, terrorist attacks and profiteering.

Therefore, consumers must not allow themselves to be swept up in the rumors and gossip that the profiteers themselves propagate so that they can sell more at higher prices. Profiteers thus cause shortages by encouraging hoarding.

In some cases, the profiteering merchants' aggressiveness and resistance to the authorities are encouraged and directed by hidden counterrevolutionaries and by the Contras' radio stations in neighboring countries.

Some do it consciously; they are the agitators. Others are swept up into it, deceived, he asserted.

Need is what motivates people. Profiteers play on that need and satisfy it, but on their own conditions.

Hence, many merchants sell their products to consumers but dictate the terms, he explained.

Consumers are dissatisfied with such purchases, which, however, meet their needs, even though they realize that the profiteer is taking advantage of the situation. Therefore, refusing to buy at illegal prices requires a conscious effort from each individual, he asserted.

Consumers make purchases because they know that there is a shortage, whether real or caused by hoarding, and that shopping is a problem. They feel that they have no choice but to live and die with the profiteer. They feel defenseless, powerless vis-a-vis the profiteer.

What Can Be Done?

The authorities should fully support consumers who report profiteers. Not only should they take action against profiteers; they should protect consumers against aggression and see to it that steady supplies are available to them.

The government should do more political work with the people; mobilize the people against the profiteers who have been identified; and accustom the people to speak out against profiteering promptly, such as over the radio, and not keep the information to themselves, he said in conclusion.

'Administrative Corruption' Blamed

Managua EL NUEVO DIARIO in Spanish 25 Jan 87 p 5

[Text] Labor leaders attribute the rise in profiteering to the war of aggression, the economic crisis, administrative disarray and the inability of MICOIN [Ministry of Domestic Trade] to stockpile production.

Fernando Malespin, the secretary general of the Worker Front (FO), felt that there are two causes of the profiteering that has been going on in the country.

The first, he said, "is the war of imperialist aggression, as an external element. Domestically, it is the government's free market model, which does not allow for tighter control over production."

There are other factors as well, such as unemployment, low wages, MICOIN's inability to stockpile production, the administrative disarray among certain ministry officials, and the problem of shortages.

In light of all this, he asserted, "we feel that MICOIN has so far pursued an erroneous policy, because it has been aimed mainly at the last link in the chain and has not provided a response to the underlying problem."

"One of the basic things that MICOIN should do," he emphasized, "is adopt a policy of preferences for small and medium growers of basic grains."

Second, the Agrarian Reform should earmark more resources and land for basic grains. In addition, the workers in the mass organizations should be given a real role in controlling not only distribution but mainly production. Lastly, price controls should be tightened, the labor leader said.

Carlos Cuadra, the representative of MAP in the Assembly, indicated that profiteering stems mainly from capitalist relations, which are preserved under a mixed economy.

"Distribution problems cannot be controlled unless production is controlled. A mixed economy leaves not a good part but a majority of what is produced in Nicaragua in private hands.

"Moreover, the power of the working masses is not yet institutionalized, and the workers do not have a direct say about the political problems that arise in social development," he added.

The masses must be given full powers to exercise such control, he added. Profiteering is an upshot of the economic crisis and will persist as long as something is not done about it and the network of middlemen.

"The government's production policies use the network as an escape valve. The bureaucracy and the management of the enterprises themselves are what cause profiteering."

In light of this situation, he went on to say, the only answer is grassroots control, economic policies that serve the interests of the people, that meet the needs of the people and the revolution.

The workers themselves must also control production, so that they can establish distribution channels from worker to worker, he noted.

The secretary general of CAUS [Central Organization of Trade Union Action and Unity], Roberto Moreno, said that his organization approves of the way that EL NUEVO DIARIO is combating profiteering and feels that the campaign should be critically and fearlessly intensified so that those who are involved in profiteering are identified.

He acknowledged that profiteering is caused by shortages of products that should be in sufficient supply and that enter a market that operates outside the laws of the established economic system.

"Some managers of private and mixed companies sell their products to the profiteer market, holding back a small percentage to mislead. This is the case with paint, deodorant and other consumer items."

We must get to the heart of the matter, because otherwise the measures that the government takes will become unpopular, even if they are just. Some citizens have taken the side of the profiteers when their operations have been

shut down, because they supply them with what they need for their homes. But if we answer the question that EL NUEVO DIARIO is asking: Who supplies the black market? the people will understand clearly, he opined.

We must combat profiteering, he stated, because we will be helping the State. "If the power of the profiteers is not brought under control, it could become greater than the government's," he remarked.

He indicated that another reason for profiteering is low wages. Workers are always thinking about selling items and even go so far as to steal from factories and warehouses.

"By boosting wages, we would be combating administrative corruption in enterprises and among state and private workers, promoting the production of consumer goods and providing incentives to workers, technicians and professionals," the labor leader said.

'Punishment' Demanded

Managua EL NUEVO DIARIO in Spanish 27 Jan 87 p 2

[Article by Sergio Martinez]

[Text] "Profiteers...speculators...illegal merchants. Why be so soft on them? Thieves!!!" my grandmother would have shouted. Counterrevolutionaries!!! They and the people who encourage and protect them so that they can continue bleeding wage earners dry. Is profiteering a spontaneous phenomenon? No. We know that it is not. We know that it is partly caused by the war, by production problems and by economic imbalances of the process. But it is not caused by them alone. It has another source, as many people are aware: corruption in various public and private entities.

So what? some will say. What's going on here? others will wonder. It's simple. What is happening here is that we Nicaraguans, wage earners mainly, are growing lazier and lazier. Or rather, more cowardly. We are the cowards, and they are the counterrevolutionary thieves.

While they get rich by making light of our children's hunger, we remain calm, inuring ourselves day after day to the rising prices that they pull out of their hats. So-called profiteering is a little financial game that has been spreading for some time now as our wage earners look patiently on.

Many people who are fond of the easy life have taken up business. They devote their time to making life more expensive for others, and so on. Why do some doctors charge so much for an office visit? "Because the cost of living is so high," someone else replies.

And why is the cost of living so high? The answer to this question could well be found in the baskets of the illegal merchants at our markets...excuse me, the thieves in our markets. They and the people who supply them are making the cost of living high. There are official government prices for basic items, but they are ignored. There are laws to punish people who commit such

theft, but to date we know of no one who has really been punished. Hard. Our laws have to be amended. And we have to start letting people have it.

We are acting like real fools when we pay as much as 300 cordobas for a soft drink. We are even more foolish when we buy a jug of milk for 16,000 cordobas, in the knowledge that it should cost no more than 2,500. Because if you don't buy it there, you won't find it anywhere else! What a fine little spree we go on to allow ourselves to be robbed. Frankly, we Nicaraguans are the only people in Central America who walk up to thieves and ask them to rob us...and then we laugh when we get home: "Look what I bought for 15,000 pesos," we boast.

What is happening to us? we must ask. We must not make life tougher than it already is. We must stop paying more than the established price. Why pay 500 cordobas for a beer in a bar when we know that it should cost 350? Why do we have to keep on being accomplices to theft in enterprises? We have to report them. And if there are reprisals, we have to report the reprisals. And keep on reporting.

Or do we plan to live the rest of our lives this way? We cannot. The government also has to move to the forefront of this struggle. It has to shake things up, fall who may, and clean up all of its institutions. The unions have to take action as well. They have to work on controlling production and make sure that goods go through proper channels. The thieves can no longer keep on falling skyward. They must fall in accordance with the law of gravity: downward, heavily and, if possible, into a jail cell that will give them something to think about.

MICOIN, MIDINRA Failing

Managua EL NUEVO DIARIO in Spanish 30 Jan 87 p 2

[Article by Manuel Eugarrrios]

[Text] One need only read the 26 January edition of EL NUEVO DIARIO to confirm that neither the low production of basic and semibasic commodities nor the war that the Yankee government is waging on us is the sole cause of the widespread profiteering that we have been plagued with in the capital for several years now.

Alongside the edition's lead story, which again asks the question of who is supplying the profiteers, related articles discuss issues that are extremely touchy for those of us who reside in Managua: "Weak controls on cooking oil production," "Illegal merchants brazenly defiant," "Shoes are big business," "MICOIN says enterprises not living up to delivery agreements," etc.

This shows that if we cover our eyes and arrogantly lay all the blame for shortages and the resulting profiteering on imperialism's aggressive policy, we are lapsing into demagoguery and sinking deeper and deeper into fallacy and complacency.

A look at just the above headlines will tell us that neither MICOIN, nor the Ministry of Industries, nor MIDINRA [Ministry of Agricultural-Livestock Development and Agrarian Reform], which are the government bodies that are called upon to do so, exercise real control over production and a just distribution of basic commodities.

In short, the reports in EL NUEVO DIARIO and other media tell us day after day that the problem of shortages and profiteering starts inside public and private enterprises, which on the one hand do not place all of their output in the so-called secure channels and, on the other, allow (and promote?) the supplying of profiteer channels.

It has become a truism by now that the war is the number one reason for the major institutional limitations that have plagued us. Over and above such aggression, however, what we cannot and must not accept is the negligence, the irresponsibility and the "no-skin-off-my-nose" attitude of public officials and enterprises that are aggravating the hardships that our people are suffering in the area of foodstuffs and other basic and semibasic commodities.

Indeed, how can we tell the people that the criminally high prices that they are paying for food, clothing, shoes, medicine, milk for their children, toilet paper, polish, etc are due exclusively to the war and low production, when the same people can find all of these items by the ton on the black market.

In all honesty and with all due respect, we believe that the president of the republic should order a relentless and exhaustive investigation and then enact the appropriate measures, so that our people no longer have to put up with the hardship of profiteering, through which a few become millionaires and the rest of us become poorer.

8743

CSO: 3248/201

U.S. REJECTION OF STROESSNER'S GOVERNMENT VIEWED

PA160529 Havana International Service in Spanish 2300 GMT 15 Feb 87

["Our America" commentary]

[Text] A few days ago, a report surprised the world. Clyde Taylor, U.S. ambassador in Asuncion, Paraguay, defended local independent radio station Radio Nanduti's broadcast rights. The station has been under constant fire from the Stroessner regime.

It would seem as if Washington is adopting an attitude of rejection toward Alfredo Stroessner, head of one of the oldest dictatorships on the Latin American continent. The United States seems truly committed to respect for human rights in a country where silencing and violence have been the order of the day for the past several decades.

Nevertheless, when there are precedents such as Haiti and the Philippines, where the United States practiced changing dictators as a means of preventing dangerous social outbursts, it is understood that Clyde Taylor's statements and attitudes are not sincere. Meanwhile, official Washington understands that the reemergence of democracies in South America goes against the existence of the Paraguayan regime and incites serious popular actions. Therefore, Washington is seriously considering a change of the dictatorship for a government which--with a less despicable facade--will take care of the imperialists' economic and political interests.

In the economic area, U.S. penetration has been such that its domination of the industrial and farming sectors is almost absolute. In Paraguay there are 50 branches of large U.S. consortiums, which reap huge profits thanks to the dictatorship's political defeatism and the use of cheap labor. Washington is looking for a regime which, like Stroessner's, will faithfully fulfill its commitments to the U.S. financial centers without caring at all about the people's hunger and poverty. With a foreign debt that amounts to \$1.5 billion, without considering its debt with Argentina and Brazil, the Paraguayan economy is slowly wasting away and a large part of its income is dedicated to filling foreign coffers.

Of an annual income of more than \$200 million from exports, the Stroessner regime gives creditor banks more than \$185 million. In response to this situation, and encouraged by the democratic spirit in neighboring countries, the popular masses in Paraguay are confronting the repressive regime. Those forces, hit by the repressive policies and its sequels of murder, torture, disappearances, and kidnappings, organized large demonstrations last year to reject human rights violations, demand economic improvements, and demand the provision of land for thousands of dispossessed peasants. It is precisely in this struggle where the workers who are members of the independent workers' movement see the prospect of becoming a decisive force that can destroy the continuist [continuista] plans of Stroessnerism, created by the Yankee imperialists.

The peasant and youth movements have also demonstrated their willingness to join the struggle to end the more than 3 decades of oppression in Paraguay. These groups, along with progressive Paraguayan political organizations, are aware of the fact that 1987 is decisive to their organizing to form a common force that can achieve a victory for the people.

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CSO: 3348/216

PARAGUAY

INDUSTRY, COMMERCE MINISTER ON INTEGRATION, U.S. ENVOY

PY141236 Montevideo Radio Carve in Spanish 0930 GMT 13 Feb 87

[Text] Paraguayan Industry and Commerce Minister Delfin Ugarte Centurion, who just held a meeting with Uruguayan Transportation and Public Works Minister Jorge Sanguinetti, has said that Paraguay urgently needs to use the Uruguayan ports of Nueva Palmira and Fray Bentos as soon as possible. After the meeting, the two ministers agreed to hold another meeting in Asuncion in which officials and businessmen from the two countries will also participate. Concerning the progress made in the effort to integrate Paraguay and Uruguay, Dr Ugarte Centurion made the following comments.

[Begin recording] [Ugarte Centurion] Right, Sir. We just held a very important meeting with Minister Jorge Sanguinetti. We reviewed the various issues on the agenda of the mixed commission that is handling this exchange. We are reviewing the possibility of achieving some things. The guidelines have been set. I just told the minister that we now need to use the facilities to ship Paraguayan products via Nueva Palmira, Fray Bentos, or by whatever route is established. We discussed other integration issues, and I asked the minister about his upcoming visit to Paraguay. We are trying to agree on another meeting between officials and businessmen in Asuncion in March.

[Reporter] What did you discuss regarding the possibility of Paraguay joining the Latin American common market?

[Ugarte Centurion] Well, on this issue, Foreign Minister Saldivar talked with Foreign Minister Enrique Iglesias in Punta del Este, and the way has been paved for continued talks on this issue. I can announce that everything is going perfectly well, and that this meeting with the Brazilians is already part of this integration effort, because the talks held with the Brazilian delegation encompass the entire spectrum of economic relations between the two countries.

[Reporter] Mr Minister, you are engaging in a strictly technical task. Would you permit us to ask a question on the political progress in Paraguay?

[Ugarte Centurion] Of course. In Paraguay, political activity has been very intense recently. Not only the traditional political parties, the ruling party and the opposition parties; but also priests, reporters, and even the U.S. ambassador are participating in the domestic politics of my country. [end recording]

These were comments made by Paraguayan Industry and Commerce Minister Ugarte Centurion.

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CSO: 3348/216

PARAGUAY

BRIEFS

PEASANT COLONY UNDER SIEGE—Catholic Church spokesmen in Asuncion reported to the press today that two children dead and several people seriously injured are the initial results of the repression carried out by Paraguayan policemen and soldiers around a colony made up of approximately 4,000 peasants. The clergymen disclosed that forces of the Paraguayan militia and police surrounded the (Tapabi dos) colony and banned, for more than 3 months, both entrance into and exit from the colony to force peasants to turn over their land. Top officials of the Church, the Human Rights Commission, and political and social organizations of that country have asked the Alfredo Stroessner regime for permission to help those affected; however, the police siege is preventing doctors, bishops, and priests from entering. [Text] [Havana International Service in Spanish 1800 GMT 16 Feb 87] /9604

CSO: 3348/216

SABERBEIN OUTLINES 1987 ECONOMIC POLICY

Lima EL NACIONAL (Sunday Supplement) PRIMERA LINEA in Spanish 18 Jan 87 pp 15-17

[Interview with Vice Minister of the Economy Gustavo Saberbein, by Marianella Munoz Cornejo, date and place not given]

[Text] The instruments of economic policy for 1987 are: a progressive exchange-rate adjustment mechanism of 2.2 percent a month, a price administration system, and devices to stimulate savings and profit reinvestment. In sum, 1987 will be a year of adjustment, but a medium-term program for self-sustained growth will begin this year. PRIMERA LINEA talked about this matter with Vice Minister of the Economy Gustavo Saberbein, who is in turn chairman of the Intersectorial Commission on Prices and Supplies (CIPA). In the dialogue, Saberbein acknowledged that the prices of some goods rose considerably during the holidays at the end of the year, slipping through before the price administration system could be implemented. In another part of the interview, he spoke of the new tax measures that are designed to decentralize industrial investment. He stated that he is open to suggestions for tax modifications, but so far businessmen have not challenged the system by offering alternatives. Here are his statements:

[Question] Mr Vice Minister, in an interview you granted to PRIMERA LINEA in December 1985, you predicted that the GDP would grow by about 5 percent. We have finished out the year with a rate of 8.5 percent of the GDP, however. What happened to make the economic team come up short in its estimate?

[Answer] The goal was between 5 and 7 percent in early 1986. In February I said that the goal was to grow at 6 percent or more. This can be seen in the drafts issued by the National Planning Institute, which contained among its alternatives a goal of growing at 7 percent annually. In short, we could say that our goal was lower, but to everyone's benefit, our expectations were exceeded.

[Question] Could it be said that the emergency economic program yielded 80 percent of its projected results, and that in 1987 the process of sustained recovery will begin?

[Answer] Yes, thanks to the emergency program, we had to move from a speculative economy in which no one believed in anyone and everyone was trying

to speculate at everyone else's expense, to another economy in which the fundamental objective in the daily tasks of labor and management is to boost the production of goods and services. The country cannot overcome its problems if the economy does not grow steadily.

[Question] What are the prospects for 1987?

[Answer] For this year, the government is once again calling upon the various sectors of the population and of production to continuing growing at a rate of about 6 percent. Peru needs this productive growth rate to satisfy minimum employment and supply needs. This 1987 rate should receive major support from the agriculture-livestock sector, which has been granted credit and is getting better prices (more substantive than in previous periods), and therefore is planting more food crops throughout the country. This year the agriculture sector, as Minister Remigio Morales has stated, should grow by 5 or 6 percent.

[Question] Is this second stage more difficult?

[Answer] The difficult thing is to maintain it over time, that is, in the medium term of 5 years or the long term of 20 years. We estimated that in the first 2 years there would be growth on the basis of the investments made, the untapped entrepreneurial talent, and the labor force. This is indeed happening, and this year, in addition to a 6-percent increase in production and continued gains against inflation, we will have to make an effort to boost private production considerably. The latter has been given priority by the government, as it is expected to produce more food and export more goods.

[Question] Before looking at the instruments of the second stage of the government's economic policy, I would like to ask you about what did not turn out. One of the objectives was the transformation of economic, production, distribution, consumption, and investment structures. Why?

[Answer] That is true, but no country in the world is capable of transforming its structures of production, consumption, and investment in a single year. That is a medium- and long-term task that must begin now. That is why the president has called upon everyone to think in terms of the year 2000, so that the country will have policies designed to change these structures. Otherwise, what will happen is a tremendous crisis, a constant shortage of foreign exchange, and a lack of jobs, because there will be no market expansion on the basis of a better distribution of income and resources at a decentralized level.

[Question] Now, moving on to another point, why has the new price administration system not been implemented yet (at least as far as can be seen in the markets, in the street), if its operation was announced in the first 2 weeks of December?

[Answer] The price administration system has really been in effect since 1986 in a preliminary form. There is some ignorance about what managing prices is all about. As you know, the government has decided that prices should grow according to the markets. Thus, for example, with regard to agricultural and livestock goods produced by the peasants of the coastal and mountain zones,

the government never froze their prices. It did not do so because peasants have been losing a lot in the last few decades, since the policies that were followed penalized rural workers. Our objective now is to increase the profitability of the farm sector, and that was achieved in July 1986.

[Question] Sure, but the point of my question is this: When will we be able to distinguish which goods have controlled, regulated, or supervised prices?

[Answer] Well, as of 1 January this system began to function. For example, there are already offices and officials at the various production ministries. Thus, prices cannot be raised without authorization from the government or, as in the case of regulated prices, without a government authorization that is issued as a function of cost increases. This also applies to supervised prices, which include foods and services such as taxi drivers, plumbers, etc. In this regard, the government will supervise the prices so that there will not be any speculation or hoarding, and so that people will not take advantage of the summer or, as usually happens, the end-of-year holidays.

[Question] Nonetheless, . . .

[Answer] I know. We have noticed that in the last days of the year and the first days of January, a number of hoarders and speculators have emerged. In some cases they have managed to partially deplete supplies, while in others they have driven prices up substantially. In this connection, some operations are being carried out in conjunction with the Ministries of Industries, Commerce, Agriculture, and Economy to punish and sanction all those bad citizens. This government does not want businesses to lose money; it wants them to earn money, as they have been doing so far, to achieve the projected increase for 1987 and keep it up over the years. Housewives are involved in this, too; when they do not have abundant funds to buy food at the market, care must be taken to ensure that foreign exchange is not wasted, that it is used for basic necessities.

[Question] I know you go to the market.

[Answer] Yes.

[Question] With your wife.

[Answer] I go with her every Sunday.

[Question] Speaking of products that have supervised prices, you may have noticed that prices have gone up 3 to 4 intis for perishable foods, fruits, vegetables . . .

[Answer] Yes, I have noticed.

[Question] Not to mention textiles, clothing, shoes . . .

[Answer] Yes, what I would like to point out is that this is true, but we are already correcting the problem so that there will not be hoarding or speculation. For example, it is true that the prices of vegetables, tubers,

fish, clothing, shoes, and furniture have gone up. But all the information on this matter is already being processed in the computers at the Economy Ministry. All the sectors and markets where these products are sold have been discovered. At this time the government has begun a detection process that will last beyond the summer. The municipalities and in particular housewives, who have played a very important role in the battle against inflation, will lend their support to this effort.

[Question] Without detracting from the merit of the new price system, and despite what you have pointed out, you should also be aware of the anxiety and confusion that the members of the Lima Chamber of Commerce and the National Confederation of Private Business Institutions (CONFIEP) have expressed because timely information has not been provided. In addition, they are demanding that prices be made more flexible.

[Answer] There has been no such delay. The government provided quite a bit of information 2 weeks before the promulgation of the decrees. The problem is, after a long period of recession and disorganization in public and private enterprises, not all businesses have duly recorded their costs. We do not have all the efficiency and transference that one would expect in a developed country, and for that reason, by common agreement with various leaders of the business association, we decided to provide some extensions to give them a chance to submit their cost and price lists on time.

[Question] Do you also reject the criticism by the National Association of Industries, to the effect that the system is cumbersome, bureaucratic, and costly?

[Answer] Yes, completely. Today (Wednesday the 14th) I received a very interesting report from the vice minister of industry and commerce. They are organizing a training seminar at which they will get together the principal business groups so that they can explain everything to them in detail. To be sure, the person who has no record of his income or expenditures, or the man who does not intend to respect the rules of the game, will find a filter here. And that is one of the objectives; we do not want any sectors or businesses to be granted privileges with respect to the effort the vast majority are making.

[Question] And what about the informal ones?

[Answer] The informal merchant cannot charge more than the formal one. His customers are almost always low-income people, and that is why he has to sell at a lower price.

[Question] Dr Saberbein, I am going to ask you my last question. Transferring the criticism made by the National Association of Industries regarding Legislative Decrees 399 and 400, which promote industrial investment in the provinces, . . .

[Answer] Excuse me, I would like to know what they are saying. What is their criticism based on?

[Question] They say that industrial investment requires a process of consolidation that takes years, and that it would be ridiculous for Lima to lose incentives such as the financial leasing arrangement, if more than 75 percent of national industry is concentrated here.

[Answer] Well, the first thing I would like to say is that I have listened to major national businessmen--in the flesh, live, not in writing or distorted--express very favorable opinions of these decrees. I have heard this from various sources, even from some association representatives. The opinions I have heard are that this is a very serious effort which follows the line that was established last year, and that in general it means a reduction of business income taxes as of 1987-88, as well as a reduction in the tax on natural persons.

[Question] Will the major business groups participating in the "selective coordination" with the government be given tax advantages?

[Answer] The best incentive for investment is market growth, more consumers. When the economy is growing, everyone is motivated to invest; when there is a recession, no one invests. So this is better than tax exemptions.

Future Director Speaks

During our conversation with Vice Minister Saberbein, we met economist Nahil Hirsh, the future "director of the price policy." She has been working at the Ministry on Avenida Abancay since 1974. Married, the mother of three children, Nahil Hirsh is one of the people in charge of the Price Administration System. Much of the success of the second stage of the economic policy will hinge on this system. She presented a brief outline of the system:

The National System for the Control, Regulation, and Supervision of Prices and Supplies was created during the interim between the absolute freeze (28 July 1985) and the administration of prices (February 1986). In this way, a cost and price methodology was developed to evaluate requests for price increases by businesses that have lost earnings since 28 July 1985.

All of this fits within the framework of pragmatism and flexibility that characterizes the government's economic policy. With the new system, all economic agents will benefit. Businesses will have a price structure that is updated every 3 months, which will eliminate operating losses.

When producers and merchants are able to maintain constant and adequate profit margins, the productive apparatus will continue to grow. There will be more employment and more fiscal revenues.

The centerpiece of the system is the Intersectorial Commission on Prices and Supplies (CIPA), which is chaired by Vice Minister Saberbein. The Central Pricing Office, the sectorial offices, and the inspection and sanction offices all come under this commission.

Housewife Principal Agent

For the new price administration system to yield positive results, the cooperation of all citizens is needed. This is especially true of housewives, who must report unscrupulous merchants and speculators. This time the penalties for those who threaten the economy will be more serious. Thus, we have a legal provision that establishes fines ranging from a minimum of 320 intis to a maximum of 1.24 million intis. Economic crimes will be punished with jail terms.

More on Price Administration

Supreme Decree 400-86-EF establishes four price systems: controlled, regulated, supervised, and special. Controlled prices cover 72 goods (34 food items and 38 components). They account for 25 percent of the Consumer Price Index (CPI), and are established by the state. In addition to staples such as rice, sugar, pasta, milk, and cooking oil, this category includes school textbooks, gasoline, beer, etc. Items with regulated prices, which account for 41 percent of the CPI, are industrial goods such as electrical devices, auto parts, screws, etc. The adjustments are periodic and automatic, depending on economic activities.

8926

CS0: 3348/189

ALVA CASTRO ANNOUNCES CREATION OF FOREIGN DEBT COMMITTEE

Lima EL NACIONAL in Spanish 20 Jan 87 p 3

[Text] The chairman of the Council of Ministers and head of economy and finance, Dr Luis Alva Castro, announced yesterday the formation of the National Committee on the Foreign Debt, whose principal function will be to find new ways for the payment of our obligations.

Although he politely declined to reveal the details of the committee's formation and its first effective actions, Premier Alva Castro did say that it will try to find ways for Peru's foreign debt to be paid half in kind and half in cash.

In this regard, he contended that our country is willing to pay more to the creditor nation that will accept payment in kind, than to the creditor that insists on receiving foreign exchange only.

He also revealed in this connection that one country has already proposed that for every dollar paid in nontraditional goods, it is willing to buy two dollars' worth of those goods.

After calling to order the first meeting of chiefs of trade offices (which was organized in this capital by the Foreign Trade Institute, whose president is Enrique Cornejo Ramirez, and will last until the end of the month), the minister of economy and finance emphasized the role these representatives are playing in the reactivation of the country.

Then he noted that many of the chiefs of trade missions abroad were not appointed by the present administration, adding that nevertheless, the present government does recognize the importance they have for the development of our nation.

In opening this event, Alva Castro presented an overview of the actions and results of the emergency program that has been applied for the past 18 months. He stressed that the principal benefits were the reduction of inflation and the increase in the population's wages and salaries.

The program's objectives have been fulfilled and then some, he said, and one consequence of this is that inflation was cut to 65 percent a year.

He went on to say that in 1986 production grew at a rate of 8.5 percent, which led to a better distribution of the fruits of growth. This in turn brought about an increase in wages and salaries, especially the minimum living wage.

In another part of his talk, the chairman of the Council of Ministers reflected on the relationship between the exchange rate and exports.

He recalled, in addition, that in February of last year a series of measures were adopted, the most important of which was the reduction of the general sales tax.

He also said that the success of the economic reactivation, aside from reducing idle capacity, obliged us to move on to a new stage, which should be primarily investment-oriented.

"Since we know that investment in Peru depends on current conditions, on imported machinery and equipment, it is imperative that we boost our exports," he emphasized.

In touching on this point, Alva Castro acknowledged that under the present circumstances, selling our traditional products has become increasingly difficult. At the same time, however, he expressed the hope that new markets can be found for nontraditional goods.

For this purpose, he indicated, the government is establishing and adopting a series of promotional measures designed to support the marketing of our products, specifically those with a high content of raw materials and those which are labor-intensive.

He went on to state that it was with these goals in mind that the Institute of Foreign Trade was created. This entity is reinforcing the basic role with respect to foreign sales.

Later on, he said that the government, represented by President Alan Garcia, is trying to ensure that the officials who serve as chiefs of trade missions do not become mere instruments of support, but rather become fully versed in the situations of the sectors they are in charge of.

Reiterating these objectives, he exhorted the officials gathered at the meeting not only to convey the meaning of Peru's position, but also to take with them the true import of the program that has been applied so far in the American Popular Revolutionary Alliance (APRA) administration.

In another part of his speech, Alva Castro mentioned the payment in kind of our foreign debt, recognizing that this way of meeting our obligations would allow only a slight increase in our foreign reserves.

Alva Castro noted the role of the Foreign Trade Institute (ICE), whose task is to attract capital to our country.

"It is time our officials projected Peru's image and promoted the true sense of nationalism that should exist abroad," he emphasized.

He added that the government has placed special emphasis on the development of nontraditional exports, giving them privileged treatment with respect to foreign exchange under the financial and economic program for this year.

In discussing this point, Alva Castro pointed out that the institutional sphere should be reinforced, as should the state's role as a promoter of exports. He stressed that these are fundamental elements of the ICE.

Premier Alva's speech was preceded by an address by the president of the Foreign Trade Institute, Enrique Cornejo. He pointed out that the meeting will be attended by a total of 16 commercial attaches and a similar number of experts on this subject.

He also reported that the European Economic Community made it possible for our trade representatives to attend the meeting by providing financing.

8926

CSO: 3348/189

INFLATION TO REACH 120 PERCENT IN 1987

Lima EL COMERCIO in Spanish 22 Jan 87 p A-4

[Text] The yearly rate of inflation, judging by the inflation rate recorded this month (between 6.5 and 6.8 percent), will be 120 percent, stated Populist Senator Gaston Acurio Velarde yesterday. Acurio is a member of the Bicameral Budget Committee.

He explained that this average monthly inflation rate was calculated by experts and specialists as the "Financial Mean," and is related to the unleashing of certain prices by the government since the beginning of the year.

The Populist legislator argued that the devaluation estimated by the government for this month amounts to 2.1 percent, which means that interest rates will be "very low, leading to a continued flight of domestic savings."

Acurio Velarde indicated that the continuing flight of savers complicates the economic situation, since savings are needed more than ever now that foreign credit is not available.

Lower Net Reserves

Explaining the current economic situation, he stated that in addition to all of the above, our net international reserves are declining. These reserves amount to \$800 million, which is much lower than the reserves of \$850 million inherited by the current administration from its predecessor, he noted.

He recalled that in March 1986 net international reserves totaled \$1.5 billion, primarily due to the confiscation of certificates in dollars.

"If we compare that figure with the current total, we see that in just 10 months, net international reserves have plunged by \$700 million," he said.

He stated that in response to this situation, the government has adopted certain exchange measures which "by themselves are difficult to implement because the terms for financing imports have become more difficult, placing those who need imported components in a tight squeeze."

He also indicated that "the government urgently needs to adopt bold measures to boost our exports, which continue to decline. In the past year, they have fallen by \$600 million, which is an economic problem that must be resolved," he added.

SUPERIOR COURT PRESIDENT ON ROLE OF PRISON OFFICIALS

PY131353 Lima Television Peruana in Spanish 0100 GMT 13 Jan 87

[No video available]

[Text] Lima Superior Court President Jorge Morales (Arnao) today said that the Republican Guard is not trained to manage centers of social rehabilitation.

[Begin recording] [Morales] There is an international organization working under the jurisdiction of the United Nations, which holds, every 4 years, a convention of penitentiary officials and experts from all over the world. These people discuss the experience gathered during that 4 year period, and set the guidelines to be followed for the treatment of inmates of penitentiaries throughout the world.

In 1956, this organization compiled a list of rules to be followed by all the signatory countries, including Peru. These rules are called: Basic Rules for Treating Prisoners. These basic rules recommend that the penitentiary must be run by specialized civilian personnel; they specifically recommend that military or police personnel are not employed for this.

[Reporter] Why?

[Morales] Because the duties of these two groups are very different. The military and the police have the specific duty of maintaining order and iron discipline. Inside the penitentiaries, however, there are many more complex tasks, aimed at rehabilitating the prisoners. They are mostly pedagogical and psychological tasks, which are unfamiliar to military and police personnel. [end recording]

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CSO: 3348/221

BRIEFS

TRADE WITH USSR—Peru has begun paying its foreign debt to the Soviet Union in goods, and this procedure will continue to be used more in the future, asserted the ambassador from that European country to Peru, Anatoly Filatov, yesterday. He added that all of this is taking place within the context of the cordial relations that characterize the ties between the two countries. According to the Soviet diplomat, relations between our two countries are on a very good track, and collaboration and cooperation will be strengthened appropriately as time goes by. "There are many fields in which we can develop mutual cooperation. We are working particularly hard on this matter," commented Filatov in statements to the press after a protocol visit to the president of the Senate, Armando Villanueva del Campo. He referred to President Garcia, noting that he enjoys a very good image and reputation in the Soviet Union. He stressed that the Peruvian chief of state is a top-flight statesman who is constantly working for peace. All of this places him among the current leaders of the world who are in step with the times. Filatov recalled that Peru and the Soviet Union have ties of mutual cooperation on various levels, and he emphasized that they can be developed to the utmost. [Text] [Lima EL NACIONAL in Spanish 21 Jan 87 p 4] 8926

GOLD MINING INTENSIFIED—A change in the state's mining policy aimed at expanding and intensifying its mining activities with the participation of private and foreign capital was announced yesterday by the president of the Peruvian State Mining Enterprise (MINERO-PERU), Manuel Lescano. He said that the government is very interested in stepping up the mining of the gold deposits at San Antonio de Poto, in Puno. These deposits comprise 4.5 square kilometers of gold-bearing moraine. MINERO-PERU has worked these deposits with the support of the Rotating Fund of the United Nations. To date, mining reserves have been found to be "very promising," stated Lescano. Ananea has a gold content of 0.679 grams per cubic meter. He pointed out that so far, 22 national and foreign firms have submitted bids for gold mining, and the minimum investment is \$18 million. Meanwhile, MINERO-PERU has given permission for an association of eight cooperatives, made up of 900 Puno families, to mine gold on a small scale in the province of Sandia. Each day representatives of the firms interested in participating in the mining come to the central headquarters. The deadline for submitting bids is 20 February. At present, the price of gold is \$420 an ounce on the London market. In October it reached \$430 an ounce, the highest level in the last 3 years. In Peru, the Mining Bank is buying gold at 251 intis a gram in order to prevent

illegal sales to the markets in Brazil and Bolivia. In addition, Lescano noted the government's intention and effort to reactivate the mining industry, which has suffered the worst crisis of its history. He stressed the measures adopted recently with regard to lowering the tax deduction for national and foreign investors and replacing the investment system that had been in effect in this country since 1950. Lescano pointed out that the government has recently issued a series of legal provisions allowing for the reactivation of the mining sector, including a measure for duty-free imports of goods and equipment by small-scale miners. [Text] [Lima EL COMERCIO in Spanish 21 Jan 87 p A-10] 8926

4 NEW FISHING CONTRACTS--Fishing Minister Javier Labarthe Correa reported yesterday that fishing agreements will be signed soon with Holland, Japan, Cuba, and the Soviet Union. He indicated that for this purpose, a commission has been named to lay down the terms and conditions under which each country will sign fishing agreements with Peru. The minister explained that our country has the capacity to catch 150,000 tons of fish by trawling, including jurel and mackerel, but that the biomass could tolerate a catch of up to 4 million tons. "If these fish are not caught today," he said, "they will never be caught, and may die of old age. So we must take advantage of them somehow." When asked how the price can be so high if fish is so abundant in our country, Labarthe replied that fresh fish is the most expensive, but canned fish is more reasonable. In comparison with other countries, he noted, its price is very low. [Text] [Lima EL NACIONAL in Spanish 21 Jan 87 p 6] 8926

SHORTAGE OF BASIC MEDICINES--The president of the National Association of Owners of Pharmacies, Drug Stores, and Related Businesses, Herman Guevara Garcia, criticized the shortage of essential medicines in pharmacies in Lima as well as the rest of the country. He cited the lack of dextrose, for example, which "is so important for the cases of dehydration that become so common at this time of year." He said that Aldomet, Butesin Picrate, Xylocaine, Antalgin, Chloroallergan, Hepabionta, Neurbion, Floxinon, Orthovagil, and Canesten are in short supply as well. There are no basic medications for the treatment of cancer or heart disease, he added. Guevara expressed disagreement with the plan of the National Commission on Medications, Foods, and Drugs (CONAMAD) to distribute medicines in parishes, giving priority to them over pharmacies. The representative of the pharmacists questioned the work of CONAMAD. He pointed out that although last September this commission authorized pharmacies and drug stores to dispense generic pharmaceutical products as replacements for prescribed brands, that provision was later declared invalid by Congress. [Text] [Lima EL COMERCIO in Spanish 16 Jan 87 p A-7] 8926

EXPLOSION AT LAS PALMAS AIR FORCE BASE--At 0355 today a big explosion caused a large fire inside Las Palmas Air Force Base. Six fire trucks are fighting the fire at this time and they have requested additional help to control it. The explosion produced a shock wave which affected buildings and houses in a large area. Following the explosion, coming from several areas of the base, warning gunshots could also be heard in the military and police zones. At the present time six fire trucks are fighting the fire but they are unable to control it and have requested reinforcements,

including a 10,000-gallon water truck. Firemen are using fire trucks of (CERAPAL) and all the water hydrants in the area, while the fire continues inside the base. The strong shock wave was felt in a radius of several kilometers, and it affected buildings and nearby houses, breaking windows and glass door panels. [Text] [Lima Radioprogramas del Peru in Spanish 1105 GMT 19 Feb 87] /9604

CSO: 3348/221

SECURITY MINISTER PROMISES ACTION TO IMPROVE DEFENSE FORCE

Port-of-Spain DAILY EXPRESS in English 13 Feb 87 p 1

[Text]

NATIONAL Security Minister Herbert Atwell yesterday promised to take immediate action on a number of problems currently experienced by the country's Defence Force, following an inspection of the facilities of the Coast Guard and Regiment at Chaguaramas.

At the Stauble Bay headquarters of the Coast Guard, the Minister was taken aboard the *Barracuda*, one of two fast patrol boats. The *Barracuda*, he was told, was temporarily beached because of a damaged part.

The Minister was also told that only two of four patrol launches were in operation and that, of four pirogues, just two could be used at a time because of the lack of two outboard motors. He promised to provide the motors within two weeks, the pirogues being important in maritime drug operations.

At Teteron the Minister was shown some 16 Regiment vehicles which required repairs. Eight, he was told, had never been used as they were delivered by motor vehicle dealers Charles McEneaney and Company several years ago with "manufacturers' defects." The Minister promised to deal with the matter.

The steel frame of a proposed dormitory to house 300 soldiers, erected some 15 years ago, the Minister learnt, needed an inspection before work could resume on the structure. Atwell was told that it was uncertain whether the prolonged exposure of the frame to the elements rendered it safe.

At the end of the tour the Minister said he intended to look into the provision of better working conditions at the Utility and Engineering Corps Division. He said attention would also be given to the vehicles and equipment that were out of service.

/13046

CSO: 3298/138

APPOINTMENTS TO STATE ENTERPRISE BOARDS ANNOUNCED

Port-of-Spain SUNDAY EXPRESS in English 8 Feb 87 p 3

[Text]

KARL Hudson-Phillips is chairman of State-owned airline, BWIA; Justice **Ulric Cross** heads the board at NBS Radio 610; lawyer **Martin Daly** is the boss at Trinidad and Tobago Television and Express chairman **Thomas Gatliffe** gets a similar appointment at the Development Finance Company.

These were among the list of names released yesterday by Industry and Enterprise Minister, Ken Gordon, on the boards appointed at five State Enterprises and one statutory authority.

In issuing the statement yesterday Gordon said he regretted that the entire slate of new appointments had not yet been completed. This was in part due, he said, to the Government's desire to inform those persons asked to serve on the boards before their names appeared in the news.

Those boards, which were finalised with yesterday's announcement were:

BWIA - Karl Hudson-Phillips, Chairman; Gerard Montes de Oca, deputy Chairman; Ian Bertrand, Managing Director; Calvin Gidharrie, Peter Ramrattan, one nominee from the Tobago House of Assembly and two workers' representatives — one of whom is from the Trinidad Airline Pilots' Association.

NBS Radio 610 - Justice Ulric Cross, chairman; Dr Noble Beharry, Dr. Ken Ramchand, Cheryl Greaves, Francisco Slinger (Sparrow), a representative from Tobago and one workers' representative.

TTT - Martin Daly, chairman; accountant David Law, playwright Ralph Maraj, radio announcer Salisha Baksh and one workers' representative.

DFC - Thomas Gatliffe, chairman; Gerard Pemberton, Ramganie Bob Gopee, Fazal Karim, Ainsley Mark, Harry Ramsingh, a representative of the Ministry of External Affairs, a representative of the Ministry of Finance and the Economy and a representative of the banking sector.

Iron and Steel Company of Trinidad and Tobago (ISCOTT) - Ian Dacent, chairman; Prof. Ramsey Saunders, Bernard Dulal-White-way, Amarjit Chadee, two workers' representatives.

Trinidad and Tobago Racing Authority - Maurice Corbin, chairman; Colla Agostini, Steve Bennett, Raymond Bernard, Awal Khan, Vernon Gillette, Gaston Benjamin, Dr Horace Henderson and a representative of the Ministry of Finance and Economy.

[Additional appointments are reported in the DAILY EXPRESS of 13 Feb 87 p 2 as follows:]

APPOINTMENTS to the boards of directors of four more state enterprises were made yesterday by Minister of Industry and Enterprise Senator Ken Gordon.

Business executive Michael Arneaud was appointed chairman of National Fisheries Co. Ltd. Other members of the board are Dr Doon Ramaroop, fisheries expert; Jack Duncan, accountant; Basdeo Manmohansingh, business executive; a nominee of the Tobago House

of Assembly (THA) and a representative of the Ministry of Food Production, Marine Exploitation and Forestry.

Noel Wyatt, industrial relations consultant, has been appointed chairman of the Trinidad and Tobago National Petroleum Marketing Company (NPMC). Members of the board are Rooplal Moolchan, attorney-at-law and tax consultant; Randolph Corbie, financial comptroller, Trinidad and Tobago Petroleum Company; Sais Tiwary, economist; Winston Moutoo, international marketing representative of Trintoc; Hanif Ali, chartered accountant; Hayden Toney, director, energy and planning, Ministry of Energy; Harold Cuffy,

chartered civil engineer and general manager of NPMC.

Dominic Mahabir, special project manager, Exploration and Production, Trintoc, is the new chairman of the National Gas Company. Members are Knolly Al-loy, engineer; Frank Look Kin, senior energy analyst, Ministry of Energy; Sheraz Rajab, petroleum engineer; Phillip Hamel-Smith, attorney-at-law; Jadoonath Bhimul, petroleum engineer; a representative of the THA and a workers' representative.

Liquat Shah, chemical engineer of the Caribbean Industrial Research Institute (Cariri) is chairman of National Food Processors Ltd.

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CSO: 3298/138

PAPER FINDS SPATE OF COMMISSIONS OF INQUIRY QUESTIONABLE

Port-of-Spain DAILY EXPRESS in English 5 Feb 87 p 8

[Editorial: "'Commission of Enquiry' Syndrome"]

[Text]

SINCE assuming office on December 16, the National Alliance for Reconstruction Government has instituted at least three major probes—into previous mega projects and scandals involving the former government, into reports of a major scam at the Inland Revenue Department and into the recent harassment of NAR MPs during the pro-COLA demonstrations outside Parliament.

Now there is to be yet another probe—this time into how the Garvin Scott Drug Report was leaked in Barbados.

While we appreciate that the only way the new Government can get a firm grasp on some of the problems it has encountered since taking office is to carry out in-depth investigations of one sort or another, we want to caution them not to get carried away by the "Commission of Enquiry" syndrome.

And for two reasons.

One is, it was virtually a habit of the former People's National Move-

ment (PNM) Government. Nearly every single issue that reared its head during the 30 years of PNM rule was subjected to a Commission of Enquiry, whose voluminous reports not only could have filled whole shelves in various ministries but which were also largely forgotten soon after they were handed in.

The Commission of Enquiry in fact soon became in itself a delaying measure, or worse, a way of ducking issues entirely.

The second reason is, the Government may not only be repeating past error, it should try to devise more imaginative means of coming to grips with particular problems.

We can well appreciate, for example, the value of a probe into some of the projects on which the previous government spent billions. That is part and parcel of the process of accountability, and the country expects no less. But does the leaking of the Drug Report really warrant a probe? And to what end?

CHAMBER URGED TO END ATTACKS ON PUBLIC-SECTOR UNIONS

Port-of-Spain DAILY EXPRESS in English 13 Feb 87 p 35

[Text]

THE Tobago Divisions of the Public Services Association (PSA) and the Trinidad and Tobago Unified Teachers' Association (TTU-TA) have called on the Trinidad and Tobago Chamber of Industry and Commerce to heed the call for tri-partite participation in business activity in the country.

The call was included in a number of suggestions to the Chamber in a joint statement to the press.

The divisions also said the Chamber should avoid "unwarranted attacks" on public sector unions and memberships, "since the members' salaries buy your goods and pay your commissions for the merchants activities you engage in."

It said the Chamber should "speak from the

belly of the experience of the Tobago people rather than in the words of the absentee landlords who only exploit Tobago" and "recognise that 85 per cent of the household incomes of Tobago comes from Government expenditure since over 85 per cent of the jobs are Government provided, thus Tobago interests demands resistance to any reduction of the level of Government spending to its workers."

The unions called on the business organisation to also "grasp the opportunities now becoming available, to invest in industry and create jobs with the profits of the last 10 years rather than to speculate in sales."

The divisions said the business sector should "transfer savings obtained through port facilities or other infrastructural improvements to prices" and make an effort to improve industrial relations practices.

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CSO: 3298/138

BRIEFS

BURROUGHS RESIGNATION--Police Commissioner Randolph Burroughs yesterday submitted his resignation to the Police Service Commission. In a letter dated February 4 and copied to the Minister of National Security and the Attorney-General, Burroughs' resignation becomes effective on February 28, the last day of leave due to him. Burroughs' resignation comes 21 days after High Court judge Jean Permanand freed him on six drug-related charges and 36 years after he entered the Police Service as a mechanic. "It was a decision taken in the best interests of my family," he told the EXPRESS yesterday evening as he packed his bags at the official St James Barracks residence of the Commissioner. Burroughs, 57, said no one had forced him to resign from his top post and the decision taken was an independent one. In an official statement accompanying his letter of resignation (See Page 8), Burroughs said the Police Service would have been the laughing stock of the world if he had returned to office after his recent trial. [Excerpts] [Port-of-Spain DAILY EXPRESS in English 5 Feb 87 p 1] /13046

BOAT FINES TO VENEZUELA--Several boat-owners left Cedros yesterday for the Venezuelan coastal fishing port of Perdernales to pay fines for the release of three boats detained by the Venezuelan authorities earlier this week. According to boat-owner Ramsumair Gour, three boats and nine fishermen were arrested on Monday evening while fishing in the Macarau River near the Venezuelan coast. The Venezuela National Guard seized the boats and detained the fishermen who were taken to Perdernales where the captains were held pending payments of fines of TT\$1,000 for each boat. The boat-owners were given clearance by the Venezuelan Embassy in Port of Spain to seek the release of the boats. The boats and fishermen had no authority to be shrimping in the special areas designated under the fishing treaty signed last year. Veteran fisherman Aaron Badai reviewed the call for Cedros/Icacos to be declared a port of entry. Badai said some effort should be made by Government to establish sovereignty off Soldado Rock. Badai said fishermen without permits were in fear of fishing beyond Soldado Rock even though the treaty allowed fishing but not shrimping. He also urged that Venezuela be brought into the Caricom circle to facilitate a proper fishing treaty. [Text] [Port-of-Spain DAILY EXPRESS in English 12 Feb 87 p 3] /13046

CSO: 3298/138

FOREIGN MINISTER IGLESIAS ON COUNTRY'S REGIONAL ROLE

Santiago HOY in Spanish 5-11 Jan 87 pp 59-60

[Interview with Foreign Minister Enrique Iglesias by Alfonso Lessa; date and place not specified; first four paragraphs are introduction]

[Text] Since democracy was reestablished in Uruguay in 1985, Foreign Minister Enrique Iglesias has conducted an intensive diplomatic offensive to restore his country's prestige, which had declined under the military government (1973-1985).

Thanks to his untiring efforts, Uruguay joined the Contadora Support Group and the Cartagena Consensus on the foreign debt (of which he is secretary) and hosted the GATT conference in Punta del Este in September.

Furthermore, Iglesias is the only minister of consensus (between the government and the opposition) in President Julio Maria Sanguinetti's cabinet.

After the summit meeting of Presidents Raul Alfonsin (Argentina), Jose Sarney (Brazil) and Sanguinetti in Brasilia in early December, Foreign Minister Iglesias granted HOY an exclusive interview.

[Question] The presidents of Argentina, Brazil and Uruguay met for the second time in Brasilia in 1986 to carry forward their integration process. What is your assessment of it and what link is there between integration and democracy?

[Answer] This pragmatic and flexible integration process is, above all, a natural result of democracy. The three governments have a political sympathy for each other that has been embodied in their very ambitious and advanced bilateral accords. Everyone realizes that underlying all this is support for the return to democracy in the three countries and the awareness that by doing things together we are strengthening ourselves both politically and economically.

[Question] Can the accords be extended to other countries?

[Answer] President Sanguinetti has clearly stated that our integration is not exclusionary. The three countries are members of ALADI [Latin American

Integration Association] and negotiate with the other governments of the region. This is the starting point of a process that should extend pragmatically to other countries in the area.

[Question] Events seem to show that there have been greater strides in bilateral than in multilateral accords...

[Answer] This shows realism in integration efforts. Integration does not mean ignoring bilateral channels; it means coordinating them in an overview with higher objectives. We have learned that overambitiousness often conspires against gains. But we have also learned that right now, if we do not do things together, our capacity for growth will be glaringly impaired.

[Question] You were just in Brasilia. Is it true that the Brazilian Government is thinking about a moratorium?

[Answer] I don't know. On the debt issue we all agreed on the terms of the Cartagena Consensus, which contains the general points that each country applies in accordance with its own criteria and interests. A moratorium is up to each country. I would say that it is always a finishing line, not a starting point. The starting point is negotiations, which is what Latin America wants. The aim is to negotiate conditions that will enable us to grow so that we can pay. Not paying may mean not growing.

[Question] Has progress been made in this regard? Has there been a response from creditors?

[Answer] Yes. Events demonstrate as much. The case of Uruguay is clear, inasmuch as we have made gains in the methods of negotiation, which are not ideal but are quite a bit better than what we managed in 1982.

The decline in interest rates and, especially for some countries, the drop in oil prices have brought major relief in the balance of payments. But the issue of the debt has not been resolved; it is barely being managed. As long as Latin America continues to transfer much of its capital overseas, it will be unable to invest and bolster its economic development. As long as the issue is around, we must take a political and economic approach to it.

[Question] The president of Peru, Alan Garcia, has emphasized setting up an organization like the OAS, but without the United States...

[Answer] I fully share President Garcia's concern and his goal of strengthening Latin America's mechanisms for consultation. I don't think that this is being done against anyone, but rather to further the legitimate right of the countries in the region.

[Question] On 17 and 18 December in Rio de Janeiro, the foreign ministers of Contadora and the Support Group studied a recommendation for joint economic and political action above and beyond the strictly Central American framework. Is this a first step towards the Peruvian president's proposal?

[Answer] This is, in fact, happening. Contadora and its Support Group are a striking political phenomenon; the eight countries in the region that make them up have initiated a multilateral, Latin Americanist policy. This new development was consolidated at the Rio de Janeiro meeting, where other Latin American topics were discussed as well.

In the economic sphere, the Cartagena Consensus is another group that represents a forum for discussion and concerted effort on the complicated and awkward issue of the foreign debt.

[Question] Does the idea of strengthening Latin American mechanisms exclude the OAS?

[Answer] Not at all. The OAS is the natural forum that we have with one of the world's great economic and political powers. But this does not mean that Latin America cannot have its own views on political and economic matters.

[Question] In your judgment, how is the situation in Central America evolving?

[Answer] It has gotten worse in every respect. First, because the dialogue, the atmosphere among the countries there has become highly charged, and positions have diverged greatly, with clear-cut military and diplomatic confrontations. Moreover, military activity in the region has increased, and we are in a period when things are getting progressively worse.

[Question] Has "Irangate" had an effect on the situation?

[Answer] Politics in the United States is, in fact, very dynamic. The changes in Congress as a result of last November's elections will have an impact on the administration's policy. The latest developments will also surely be reflected. Although it is much too early to make announcements, we have to pursue an observant and vigilant policy, because all of these developments cause changes that will have enormous influence on the future of the region.

[Question] Events seem to be showing that those who pronounced Contadora dead were wrong...

[Answer] Contadora cannot die, because it is the only diplomatic channel for arriving at solutions in Central America. We will not allow Contadora to die. This means that in the face of frustrations and disillusion, we will keep on striving to put a negotiated solution on the table as an alternative to violence.

[Question] Is Contadora playing a role beyond just Central American issues?

[Answer] It is, in fact, doing so through the smooth contacts that we foreign ministers have. It stands to reason that we discuss many varied issues. It has given us a sort of telephone diplomacy, which is a brand new and highly positive development. We can thus put together genuinely Latin American

positions on issues such as Contadora and perhaps tomorrow on other world issues.

[Question] Since the democratic government took office in Uruguay, your country's stance towards the South African Government has changed notably. You recently opened a seminar on apartheid and emphasized that in the world's conscience, the defense of human rights takes precedence over the principle of nonintervention...

[Answer] That's what I think. Although we recognize and defend the principle of nonintervention in the internal affairs of other countries, we believe that there are ethical principles that override it. This obliges the world's conscience to make its presence felt on major human rights issues, because it has a responsibility to do so.

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CSO: 3348/208

PIT-CNT TO CONCENTRATE ON BUILDING UP SUPPORT

Montevideo BUSQUEDA in Spanish 6 Feb 87 p 12

[Text] The central labor organization PIT-CNT [Interunion Workers Assembly-National Convention of Workers] seems prepared not to resort immediately to mobilizations. On the contrary, all indications are that it will instruct its forces to vie with the government for public support.

In February 1986 the government ordered a wage boost for the private sector without convoking the Wage Councils. On that occasion the PIT-CNT responded by staging a general work stoppage on 12 March. It will apparently not go that far this time.

BUSQUEDA has inferred that this is its strategy from its talks with labor leaders after the meeting that the organization's Executive Secretariat held on Wednesday the 4th. The secretariat on that occasion drafted a report on the wage boost that the administration granted to private sector workers. The Representative Board studied the report yesterday, Thursday the 5th, as this edition went to press.

The coordinator of the secretariat, Oscar Groba, described the current situation as "a stage for building up strength," asserting that "we must raise the public's awareness" during it.

He added that the labor movement "has made every effort to prevent unrest," cautioning that if there is unrest, "it will be the responsibility of the government, which has stubbornly refused to negotiate the wage issue, not of the PIT-CNT."

Groba commented that the recently ordered wage adjustment "was not negotiated, nor were our demands heeded."

He added, in conclusion, that the central organization will most assuredly draft a report for the ILO in which it will outline "the government's interference in the internal workings of the labor movement" and will ask ILO officials to visit the country and "see for themselves the violations of union rights."

He was thus in agreement with Eduardo Fernandez, a bank union leader and member of the organization's top echelon of officials, who added that the failure to convoke the Wage Councils makes it impossible for the workers to negotiate further wage boosts.

On Friday the 30th the labor minister met with PIT-CNT leaders to tell them that the wage boost for private sector employees who are not under long-term contracts was set at 16 percent as of 1 February.

The national minimum wage was also upped by official decision to 17,000 pesos.

The boost represents the average of the inflation rate for the 4-month period from October to January (17 percent) and the projected inflation for the 4 months from February to May (15 percent).

The labor leaders he spoke with expressed their dissatisfaction with the increase, calling it "another wage cut."

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